The Incorporated Accountants' Journal.

THE OFFICIAL ORGAN OF

The Society of Incorporated Accountants and Auditors

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Professional Notes.

THE results of the Examinations of the Society of Incorporated Accountants and Auditors held on November 4th to 7th in Great Britain and Ireland appear in this issue. In the Final Examination 244 candidates sat, of whom two are awarded Honours and 105 passed, the failures numbering 137. In the Intermediate Examination the number of candidates was 364, of whom five are awarded Honours and 186 passed, the number of failures being 173. The Preliminary Examination was attended by 186 candidates, of whom one obtains Honours, 75 are passed and 60 fail. Taking the Examinations as a whole the attendance was 744, of whom eight receive Honours, 366 are passed and 370 fail, or just upon 50 per cent. of the whole.

H.M. Stationery Office has published a pamphlet on "Accountancy," which is number six of the "Choice of Career" series compiled by arrangement between the Incorporated Associations of Headmasters and Headmistresses of Public Secondary Schools and the Ministry of Labour. The purpose is to afford useful and authoritative information to parents, teachers and all who are concerned in advising boys and girls from public secondary schools on the choice of a suitable career.

The cost of the pamphlet, which may be obtained direct from H.M. Stationery Office or through any bookseller, is twopence. We believe that this is the first occasion upon which an attempt of an official nature has been made to disseminate information in regard to the profession in Great Britain, and the authors of the pamphlet are to be congratulated upon the care and discrimination with which they have conducted their work.

The historical introduction shows how the circumstances of the War and those of post-War years gave a considerable impetus to the development of the accountancy profession. Great changes, it is pointed out, have been made in the organisation of industry, commerce and finance, and in the system of taxation, and these changes have been carried out under the advice of, or in co-operation with, the accountancy profession.

Attention is drawn to the fact that costing and statistics of a highly technical character have now assumed an important place in the organisation of business and industry, and it is accurately stated that legislation, such as that relating to Excess Profits Duty and Income Tax, has stimulated recourse to the aid of accountants; while fiercer competition in industry since the close of the War has brought employers more to realise the necessity, from the financial standpoint, of analytical examination of every phase of manufacture.

The conclusion is reached that such has been the economy effected by this procedure that the work of the accountant has definitely become

a permanent element in industrial organisation. Despite the growth of large undertakings and combines, the small manufacturer and trader make a substantial contribution to the industry and commerce of the country; and they too have found professional accountants of great service in the conduct of their affairs.

The report and accounts of the Incorporated Accountants' Benevolent Fund, which we publish in this issue together with the proceedings at the 37th annual meeting of the subscribers, serve to remind all Incorporated Accountants of their obligation to afford pecuniary assistance to their less fortunate brethren and to necessitous widows and orphans of deceased members. Some of the honorary officers of the Fund have devoted themselves to this work during the whole period of the Fund's existence, and they gladly welcome the support and co-operation of new subscribers and donors in a cause without which the Society of Incorporated Accountants and Auditors would be lacking in a very essential feature of professional organisation.

In the House of Commons on December 6th the Industrial and Provident Societies (Amendment) Bill was read a second time, on the motion of Mr. David Grenfell, M.P. Among the principal objects of the Bill would appear to be the statutory appropriation of the title "Co-operative" by Societies registered in accordance with the provisions of Clause 1 and the increase of the limit of shares held by individual shareholders from £200 to £400. There are also regulations proposed in regard to audits and auditors, the latter in all cases to be "public auditors appointed under the provisions of the principal Act." The mover of the second reading pointed out that the co-operative movement now commands the support of over 5,000,000 members and has no less than £100,000,000 of savings and an annual turnover of £250,000,000. In the course of the debate, Mr. A. M. Samuel, M.P., while not opposing the second reading of the Bill, examined some of the clauses very critically, and Mr. Adam Maitland, M.P., F.S.A.A., expressed the hope that auditors would be members of recognised bodies of professional accountants. Much has already been accomplished towards a satisfactory audit of these societies, and we think that as time goes on there will be little or no ground for public dissatisfaction on this matter. The point of controversy is in regard to the position of co-operative societies to the ordinary traders of the country, but it is not altogether convenient to discuss in these columns in all its aspects a matter of such wide public interest.

In answer to a question in the House of Commons as to whether the investigation into the probable yield of income tax if imposed on Co-operative Societies had been concluded and, if so, the result, the Chancellor of the Exchequer said the inquiry had been completed, and that it was estimated that if the law were altered so as to make the surplus on mutual trading a profit for income tax purposes, and thus render Co-operative Societies liable to be taxed on the net surplus after payment of interest and dividend on purchases, the additional income tax payable by these societies would amount to about £350,000 per annum. This, however, was a gross figure, and the net sum would be negligible. When asked whether he proposed to place Co-operative Societies in the same position as trading companies in regard to income tax liability, he replied that he was not going to say anything further on that question as an opportunity would arise at a later date.

This issue contains reports of the speeches at several interesting gatherings of Incorporated Accountants. At the annual dinner of the Yorkshire District Society of Incorporated Accountants, Mr. Arthur Michael Samuel, M.P., in proposing the toast of "The Society of Incorporated Accountants and Auditors," opened up an important avenue of thought when he discussed the question of the overseas lending policy of the country. He asked the somewhat startling question: "Has any appreciable amount of British savings passed as a gift in the form of exports to overseas borrowers?" We hope that our report of Mr. Samuel's speech will be carefully read and his arguments considered. The President of the Society, Mr. Henry Morgan, in responding to the toast, dwelt severely on "the Frenzy of Speculation" during the last two years. In Mr. Morgan's opinion another revision of the Companies Act is necessary to meet the evils in connection with the flotation of public companies. This is too large a subject to discuss in a "Professional Note," and no doubt a better opportunity for reviewing the state of the law in regard to recent happenings will be when the Courts have had before them some of the facts relating to the speculative boom which has now collapsed.

In view of some recent disclosures in the City of London, questions have been raised in the

Press regarding the examination and passing of share transfers, the cancellation of transferors' certificates, and the sealing and issuing of new certificates to transferees. In many companies of moderate size periodical reports are made to the board on these matters by the auditors, but in the case of concerns of large capitalisation a separate organisation has to be set up in order to maintain a constant check independent of the registrars' department. Here again the profession can give valuable aid by advising as to the adequacy of the check maintained in order to protect directors, shareholders and prospective purchasers.

In connection with this matter the President of the Board of Trade was asked in the House of Commons whether he would request the suitable authorities "to devise some process of registration and issue of share certificates under the Companies Act which would make it impossible for a company to issue fraudulent shares bearing identical numbers, thereby duplicating and even triplicating the share issue." The President of the Board of Trade replied that he would be happy to consider any practicable proposals which would make impossible the fraudulent practice referred to, but, as the honourable Member was doubtless aware, it was already a felony punishable with penal servitude under the Forgery Act, 1913.

An interesting point arose in the Courts last month in the case of *Gowers* v. *Walker* as to what taxes are preferential in a Receivership under the Companies Acts. The section in question is No. 209 (1) (*a*) of the Companies (Consolidation) Act, 1908, which sets forth that in a winding up (and the same applies to a receivership) there shall be paid in priority to all other debts *inter alia* the following: "All parochial or other local rates due from the company at the date hereinafter mentioned, and having become due and payable within twelve months next before that date, and all assessed taxes, land tax, property or income tax assessed on the company up to the 5th day of April next before that date, and not exceeding in the whole one year's assessment." A receiver was appointed in November, 1927, and in May, 1928, assessments were made on the company for five years' income tax. The Commissioners of Income Tax thereupon claimed as preferential creditors for one year's assessment—the year 1923-24. The Receiver disputed the claim on the ground that no right of priority existed in a case where the tax had not already been assessed when the receiver was appointed. The Receiver contended that the words "Income Tax assessed on the company up to the 5th day of April" must be read as referring to tax actually assessed before that date and not as extending to tax for the period up to that date if assessed subsequently.

Mr. Justice Eve considered the matter sufficiently important to reserve his judgment, and the decision which he has now given is that income tax assessed up to a particular date is not confined to the tax actually assessed before that date. He said the expression "up to" was well known in accountancy, and that when books were said to be written up, balances struck, and amounts vouched up to a particular date no implication arose that any of the operations were completed before or even on that date. We are not sure that the analogy is quite a fair one, but as this is apparently a test case there may be an appeal to a higher Court.

Holders of 5 per cent War Loan who are converting their investment into the new 5 per cent. Conversion Loan are liable to be charged double income tax unless, when making their return next year, they notify the Inland Revenue as to the amount of 5 per cent. War Loan which they have converted. If this is done they will be covered by the provisions of sects. 30 and 31 of the Finance Act, 1926, and will not be chargeable for income tax or sur-tax for the year 1930-31 on any income from War Loan which they convert this month. If by omission to give the necessary notice they are assessed on the full amount of the untaxed War Loan, recovery can be obtained by submitting a claim for repayment.

When is the residue of an estate ascertained? It was decided in the *Barnado's Homes* case that until an estate had been fully administered and the residue ascertained any payments on account made to the residuary legatees were not to be treated as income for the purpose of claims for repayment of Income Tax, even although the payments were made out of taxed income. It therefore followed that payments of this kind were not required to be included by the recipients in their returns of total income for super tax purposes. In the case of *Commissioners of Inland Revenue* v. *Vice-Admiral Sir Aubrey Smith* the testator had died in the year 1910 and by 1923 his executors had administered his estate with the exception that one comparatively small mortgage was still outstanding. Meanwhile, payments had been made

to the residuary legatees, and these had been debited to an advance account upon which interest was charged. The Inland Revenue authorities claimed super tax on the share credited to one of the residuary legatees for the year 1924 on the ground that the estate had been ascertained at the latest by the end of the year 1923. The Special Commissioners could not see their way to uphold this contention and accordingly discharged the assessment.

The case has now come before Mr. Justice Rowlatt who, in affirming this decision, points out that it is for the executors to determine when their administration has been completed and they are prepared to assent to the legacies taking effect. In certain circumstances their assent might be inferred if unreasonably withheld, but this did not appear to him to be a case of that kind, although there might be a diversity of opinion as to the course adopted by the executors. The present position, therefore, appears to be that provided they act reasonably the decision of the executors of an estate as to whether the estate has been ascertained or not is conclusive.

Insurance companies are apparently finding some difficulty in connection with the new Companies Act. It has been the practice of a number of British Insurance Companies to include the accounts of their associated offices with their own in a combined form. When the Companies Act of 1928 was passed it was known that this would not comply with the new requirements. A Bill was accordingly drafted to make the necessary provision for allowing these companies to prepare their accounts as before, but time was not found to introduce the measure before the Companies Act, 1929, brought the amended law into force. The consequence is that these companies are in the same position as other companies as regards the accounts which they have to submit to their shareholders under the new Act, which it is anticipated will prevent a fair comparison of premium income and funds with the figures of previous years.

The cases of *Dunham* (*Inspector of Taxes*) v. *Hoscote* (*Malaya*) *Rubber Estates, Limited*, and *Dunham* v. *Allied Sumatra Plantations, Limited*, raised a somewhat important question as to the meaning of the words in sect. 34 of the Finance Act, 1926, "Where . . . it has been customary to make up accounts." What does the word "customary" mean in this connection? The argument of the Crown was that the custom to be regarded was the custom in the particular trade in which the company or individual was concerned quite apart from the past practice in the case under consideration, and that there was therefore a custom although only one year's accounts had been made up. Mr. Justice Rowlatt, whilst recognising the vagueness of the Act, decided on the issue before him that the word "customary" must be taken in the sense of habit and applied to the individual case rather than to any trade-group or other classification. This was the view which the Commissioners had taken, and which the Inland Revenue was endeavouring to set aside. The likelihood is that the matter may be carried to appeal.

Some discussion has arisen in the public Press as to the legality of loose-leaf ledgers for production as evidence in Court. Mr. Topham, K.C., in one of his lectures on the new Companies Act, said that some time ago comments were made in Court by which grave doubt had been thrown upon the practice of keeping a loose leaf ledger as a register of members of a company, but that nothing was decided on the point. Since then Counsel's opinion had been taken on more than one occasion by manufacturers of loose-leaf ledgers and others. One of these opinions stated that any arrangement which made a single whole out of a number of sheets, whether held together by string and glue or any other efficient method of binding, would comply with legal requirements, and therefore companies using loose-leaf books were within the provisions of the Acts governing their constitution.

The present Lord Hailsham (then Sir Douglas Hogg) also gave an opinion as to whether loose-leaf ledgers were books within the meaning of the Bankers' Books Evidence Act, and the view he expressed was that the word "book" was not a term of art, and he could see no reason for limiting it to sheets of paper bound together in a particular way. He considered that loose-leaf books were also within the provisions of the Companies (Consolidation) Act, 1908. In this connection it may be observed that the new Companies Act seems to recognise the principle of loose-leaf books for the purpose of share registers by stating that "unless the register is in itself an index" a separate index must be kept.

Mr. Winston Churchill, in addressing the students of Bristol University in his capacity

of Chancellor, gave them some advice as to the importance of utilising their time to the best advantage in their early years. "Education," he said, "does not begin with the University, and it certainly ought not to end there. I have seen a lot of people who got cleverer until about 21 or 22 years of age, then seemed to shut down altogether and never made any further progress. . . . Take full advantage of these years when the wisdom of the world is placed at your disposal, but do not spend too much time in buckling on your armour in the tent. The battle is going on in every walk and sphere of life." It cannot be too often or too strongly impressed that youth is the time when the memory is retentive and therefore the time to store the mind with something of real value.

The Controller of the Advance department of Lloyds Bank made some interesting observations at a dinner of the Institute of the Motor Trade the other day. He said that all the bankers were now making an effort to increase the amount of their deposits, and in that connection were trying to reach the small depositor. "Our one idea," he said, "is to get hold of deposits because all the good we can do is done through that source. We use more than half the deposits in financing the needs of our customers, and incidentally the trade and manufacture of our country."

In dealing with overdrafts, he said there were three rules which actuated a banker. The first was that in case of need he should be able to get repayment; secondly, that banks did not purport to supply customers with capital, but only to augment the capital from time to time for the purpose of extending the business; and, thirdly, that no customer should have more than his share of the bank's funds. Banks were prepared to make an advance on the position shown by an audited balance-sheet, but not without security if the money was likely to be outstanding for any length of time.

Legacies in Satisfaction of Debts.

THE rule in *Talbot* v. *Shrewsbury* (1714) that if one person, being indebted to another in a sum of money, does by his will give him as great or a greater sum than the debt amounts to, without taking any notice at all of the debt, this shall nevertheless be in satisfaction of the debt so that he shall not have both debt and legacy, is a principle of law which is not universally followed by the Courts; though the Courts always endeavour where possible to distinguish cases where the circumstances are not precisely parallel. In *Cuthbert* v. *Peacock* (1795), where a testator gave his creditor a legacy greater than his debt, it was held that it should go in satisfaction of his debt, "for a man shall be intended to be just before he is kind; otherwise where the legacy is less, for that is neither to be just nor kind and shall not be taken to go in satisfaction of any part. It might be good equity to construe him to be both just and kind if he intended to be both." In *Fowler* v. *Fowler* (1735), the Lord Chancellor, while admitting the establishment of the rule, said that if it were a new point, he should hardly have come into it, and it had with great reason been urged in opposition to the maxim that a man ought to be just before he is bountiful, that where there are assets, the testator may with as much reason be construed both just and bountiful, yet it must be of very ill consequence to unsettle or alter it; because, at any rate, no counsel would know how to advise his client. In *Clark* v. *Sewell* (1744), the wisdom of the rule was questioned, and it was held that legacies naturally imply a bounty, and, therefore, on the point of satisfaction, the Courts have of late laid hold of any circumstances to distinguish the latter from former cases.

The objection of the Courts to the operation of this rule was strongly emphasised in *Atkinson* v. *Littlewood* (1874). In this case, A., by deed of separation covenanted with the trustee of the deed to pay him an annual sum of £52 during the life of A.'s wife, to be paid to her on four special quarterly days for her separate use, without power of anticipation. A., by will, subsequently gave certain specific property to trustees to pay out of the rents an annuity of £52 to his wife generally, on the same special quarter days. It was held that, there being no direction in the will to pay debts and legacies and no expression of a contrary intention, the general rule must prevail that the annuity given by the will was in satisfaction of the annuity covenanted to be paid by the deed of separation; and that the widow was put to her election. Vice-Chancellor Malins said that if he were at liberty to conjecture upon the subject, and act upon what he believed to be the testator's intention, he should certainly come to the conclusion that the testator intended by this to give his wife an additional £52 a year, and not merely, by this bequest, to satisfy the debt which he had contracted, because if it was in satisfaction of a debt contracted by the separation deed, then the wife got nothing whatever by the will.

The circumstance that he directed this annuity to be paid on the same days on which he had contracted to pay the other by the separation deed, although it might be argued that he meant the same annuity because it was to be paid at the same time, was nevertheless open to the observation that he made it payable on the same days because knowing she was to receive the separation money on those days, he intended to double it, and, in order to save unnecessary trouble, he made it payable also on the same days. The Vice-Chancellor said that was the conclusion to which he would have arrived if he were unfettered by authority; but the authorities were so clearly settled, that, whether it be portions or whether it be debts, the old rule laid down in the case of *Talbot* v. *Shrewsbury* applied, and had been so frequently followed that he apprehended it was impossible to do otherwise than follow it. Many other Judges seemed to have thought the same as he did with regard to this rule, but unfortunately they had not carried it into effect. His impression was, certainly, that when a man had contracted a debt and given money to his creditor, he intended bounty, not merely the payment of an obligation; and, therefore, he gave something, and did not intend to satisfy the debt.

The rule has been applied recently in the case of *Fitzgerald* v. *National Bank* (1929, 1 K.B. 394), where a person, who had borrowed £100 carrying interest at 5 per cent. per annum, by his will left a legacy of £100 free of duty to his creditor. The will did not contain any direction to pay debts. At the date of the debtor's death there was interest due and unpaid in respect of the debt. The executors of the deceased paid the creditor the amount of the legacy and interest on the debt up to the date of payment. The creditor then sued for the amount of the debt. It was held that the rule, that a legacy to a creditor of an amount equal to or greater than the debt owed by the testator to the creditor operated as a satisfaction of the debt, applied notwithstanding that there was interest due and unpaid in respect of the debt at the date of the testator's death. In this case the Judge said there was a well-settled presumption of law that where a debtor leaves by will to his creditor a legacy of an equal or greater amount than the debt, the legacy when paid must be taken to have been given in satisfaction of the debt. This presumption had often been criticised by Judges, but there was no doubt that it still existed. The argument mainly turned upon this, that in the circumstances of the case, the sum due in respect of the debt must necessarily be different from the legacy by reason of the fact that the debt carried interest, and that the sum due in respect of debt and interest must necessarily be an uncertain amount; and it was said that where a debt carried interest accruing from day to day there could not be a presumption that a legacy of an equal amount to the debt was intended to be given in satisfaction of the debt. If that argument were valid, it was inconceivable that no authority in support of it could be found during the long period which had elapsed since the presumption was first established. In the absence of any such authority, he thought it his duty to follow the presumption, which was that where a man owes a sum of money to another, and then leaves by will to his creditor as a legacy a sum of money equal to or greater than the debt, the creditor should not have both the legacy and the debt; and to hold that this presumption was not rebutted by the fact that the debt carried interest from day to day.

Sold "With All Faults."

IT is not uncommon to find in offers for sale of goods a condition to the effect that they are to be taken by the buyer "with all faults"; such a term or condition is frequently to be found amongst the "conditions" of a sale by auction. It is important, therefore, to consider the effect in law of such a condition, having regard to the large number of such sales which are regularly held in a large variety of markets.

The case of *Shepherd* v. *Kain* (1821) is a most illuminating one. A ship was advertised for sale by an announcement which declared her to be "a copper-fastened vessel"; she was in fact only partially copper-fastened—to an extent insufficient to warrant her being so described by persons in the trade; in consequence, the buyer sued for breach of warranty. The seller relied upon a term set forth in the advertisement in these words: "The vessel, with her stores, as she now lies, to be taken with all faults, without allowance for any defects whatsoever." The buyer was held entitled to recover, the view of the Court being thus succinctly stated: "The meaning of the advertisement must be, that the seller will not be responsible for any faults which a copper-fastened ship may have. Suppose a silver service sold 'with all faults' and it turned out to be plated, can there be any doubt that the vendor would be liable? 'With all faults' must mean with all faults which it may have consistently with its being the thing described. Here the ship was not a copper-fastened ship at all."

This case was considered and distinguished in *Taylor* v. *Bullen* (1850), where the advertisement described a ship offered for sale as "the fine teak-built barque 'Intrepid,' A1, and well adapted for a passenger ship." In fact the good ship "Intrepid" was not a teak-built vessel, nor was she of the category rightly described as A1; nor was she adapted for a passenger ship. Nevertheless, the Court held that the buyer was not entitled to sue for breach of warranty, looking to the inference to be drawn from the wording of a condition attached to the offer for sale, thus expressed: "The vessel and her stores to be taken with all faults as they now lie, without any allowance for deficiency in length, weight, quantity, quality, or any defect or error whatever." To give effect to the spirit of the contract, said Chief Baron Pollock, it must be held that the seller gave no warranty, for the real meaning of the contract is: "I describe her as being the 'Intrepid' A1, and call her a teak-built barque; but I expressly give you notice that I do not mean to warrant anything. I point out what I mean; go and examine and judge for yourself, but understand, that you must take her with all her faults, and without allowance for any defect or error whatever." The fact that the vessel was not teak-built as described in the advertisement did not aid the buyer, since the discrepancy between the description and the reality could have arisen only by fraud on the part of the seller unless it was due to error; if it was due to error on the part of the seller, he had taken care to protect himself by the wide terms of the condition: "To be taken with all faults . . . without any allowance for . . . error whatever." If, on the other hand, there had been fraud by the seller in effecting the sale, the buyer had his remedy against him, not on the grounds of breach of warranty but on the grounds of fraud if provable. "It seems to me," said the Judge, "looking at the particular language used, that this is a misdescription of the vessel which comes within the term 'error' . . . unintentional misdescription." In the case of *Shepherd* v. *Kain*, on the other hand, the seller had protected himself only against being called upon to make allowance for "any defects whatsoever," *i.e.*, defects which it might have consistently with its being the thing described. "Here there is an express provision," added Baron Alderson, "that the vendor shall not be responsible for any error whatever. The vessel is described as teak-built, and it turns out that she is not teak-built. What is this but an error in the description?"

The question was again discussed by the House of Lords in the celebrated "diseased pigs case" *Ward* v. *Hobbs* (1878). Hobbs sent thirty-two pigs to market to be sold by auction subject to terms and conditions of sale which included the following: "The lots, with all faults and errors of description (if any), to be paid for and removed at the buyer's expense immediately after the sale. . . . No warranty will be given by the auctioneer with any lot, and, as all lots are open for inspection previous to the commencement of the sale, no compensation shall be made in respect of any fault or error of description of any lot in the catalogue." Ward bought the pigs at a price appropriate for healthy pigs; they in fact died of typhoid fever, having exhibited symptoms of illness on being driven to Ward's farm, where they lived long enough to infect other pigs bought elsewhere. If, said Earl Cairns, a man expressly states upon a sale that he gives no warranty, and that the goods sold must be taken with all their faults, but if he goes on expressly to say, in addition to that, that so far as he knows, or believes, or has reason to believe, the goods are free from any particular fault, and if it can afterwards be proved that to his knowledge they were tainted then there can be no doubt that, notwithstanding the negation of warranty, an action would lie for deceit for the false representation. Moreover, he proceeded, there is no difficulty in reconciling those two express statements, viz, the one express statement that he does not warrant, and that the property must be taken with all its faults, and the other express statement that so far as he knows or believes the article sold is free from a particular fault. The purchaser, said Lord O'Hagan, was informed that he would have no warranty and that he was not to expect compensation for any fault. He was told to inspect for himself and to judge for himself, and warned that he must take the consequences of any error he might commit in making a bad bargain. He had the clearest intimation that the vendor, whatever might be his state of knowledge, expressly refused to give any help to a right decision or make any disclosure of any kind.

In *Baglehole* v. *Walters* (1811), Lord Ellenborough thus stated and illustrated the principle: "Where an article is sold with all faults, I think it is quite immaterial how many belonged to it within the knowledge of the seller, unless he used some artifice to disguise them, and to prevent them being discovered by the purchaser. The very object of introducing such a stipulation is to put the purchaser on his guard, and to throw upon him the burthen of examining all

faults, both secret and apparent. I may be possessed of a horse I know to have many faults, and I wish to get rid of him for whatever sum he will fetch. I desire my servant to dispose of him; and instead of giving a warranty of soundness, to sell him with all faults. Having thus laboriously freed myself from responsibility, am I to be liable, if it be afterwards discovered that the horse was unsound? Why did not the purchaser examine him in the market, when exposed for sale? By acceding to buy the horse with all faults, he takes upon himself the risk of latent or secret faults, and calculates accordingly the price which he gives. To put any other construction upon the words used would be most inconvenient and unjust, because then men could not, by using the strongest terms which language affords, obviate disputes concerning the quality of the goods which they sell." And, "in a contract such as this . . . there is no fraud unless the seller, by positive means, renders it impossible for the purchaser to detect latent faults."

Again, in *Schneider* v. *Heath* (1813), Mr. Justice Mansfield spoke of words which "are very large to exclude the buyer from calling upon the seller for any defect in the thing sold; but if the seller was guilty of any positive fraud in the sale, these words will not protect him."

How, if at all, does trade custom affect a sale "with all faults"? In *Sinidino, Ralli & Co.* v. *Kitchen & Co.* (1883), Mr. Justice Hawkins doubted the validity of an alleged trade custon which compelled the buyer to accept delivery of goods which conformed to their sale description, however defective they might be in quality.

A trade custom cannot be incorporated in a written contract so as to make enforceable a condition which negatives a right to reject where the goods have been proved to be not in conformity with their sale description; for to do so would be to render the contract valueless. As was pointed out by Lord Justice Fletcher Moulton in *Re The North Western Rubber Company, Limited, and Hüttenbach & Co.* (1908), the written contract must be interpreted according to law, and the law is that, unless he has agreed to the contrary, a buyer is not obliged to accept goods which do not answer the description in the contract. Although the contract requires the goods to be in accordance with the description, the custom relieves the vendor from this obligation and entitles him to require the purchaser to accept that which is not in accordance with the description. The custom, therefore, cannot be regarded, where it contradicts the terms of the written contract.

INDUSTRIAL & PROVIDENT SOCIETIES (AMENDMENT) BILL.

Audit Clauses.

The following are the clauses relating to Audit, &c., embodied in the above Bill which has been introduced into Parliament by Mr. David Grenfell and supported by eleven other Members:—

6.—(1) Every registered society shall once at least in every year submit its accounts for audit to one or more of the public auditors appointed under the provisions of the principal Act.

(2) An auditor shall not hold any other office in connection with the society.

(3) The auditors shall have access to all the books, deeds, documents and accounts of the society, and shall examine the accounts and verify them with the books, deeds, documents and vouchers relating thereto, and shall sign a statement of the accounts as correct, duly vouched and in accordance with law, or shall specially report in writing to the society in what respects they find it incorrect, unvouched or not in accordance with law.

7.—(1) Every registered society shall once in every year, not later than the thirty-first day of March, send to the Registrar an annual return of the accounts of the society as audited.

(2) The annual return—

(*a*) shall be signed by the auditor or auditors; and

(*b*) shall be made up from the date of registration or of the last annual return of the society to the date of its last published statement of accounts, unless the last-mentioned date is more than four months before or more than one month after the thirty-first day of December, in which case it shall be made up to the thirty-first day of December inclusive.

(3) A registered society shall send to the Registrar with the annual return a copy of any statement of accounts audited during the period included in the return and a copy of every special report made by the auditors whether on the annual return or the statement of accounts.

8. The following shall be added to sect. 15 of the principal Act:—

"Every copy of an annual return or statement of accounts of a registered society supplied to any person shall be accompanied by any special report of the auditors relating to such return or statement."

Society of Incorporated Accountants and Auditors.

MEMBERSHIP.

The following additions to, and promotions in, the Membership of the Society have been completed since our last issue:—

ASSOCIATES TO FELLOWS.

APLIN, WILLIAM HENRY HILL (W. W. Beer & Co.), 17, Bedford Circus, Exeter, Practising Accountant.

THATCHER, ARTHUR, Borough Treasurer, Town Hall, Stockport.

ASSOCIATES.

BERRIMAN, JOHN WHALEY, Clerk to Peat, Marwick, Mitchell & Co., Royal Exchange, Middlesbrough.

BROOKE, STANLEY, Clerk to Pruddah, Eilbeck & Co., 41, North John Street, Liverpool.

BUTTON, ROBERT HOWARD, Clerk to Deloitte, Plender, Griffiths & Co., 3, London Wall Buildings, London, E.C.2.

CHARMAN, AMY, Clerk to A. S. & A. E. Evershed, 51, High Street, Guildford.

COOKE, ARTHUR JOHN, Clerk to Ford, Rhodes & Ford, 4B, Frederick's Place, Old Jewry, London, E.C.2.

CRAVEN, ERNEST, Clerk to William Walker, 7, East Parade, Leeds.

CRAWSHAW, NORMAN FREDERIC, 3, Athenæum Terrace, Plymouth, Practising Accountant.

GREEN, FREDERIC THOMAS, Clerk to Thomas Eaves & Co., 19, South John Street, Liverpool.

HALL, PHILIP WILLIAM MAURICE, Clerk to E. S. Howard, Pye & Co., 6, Martin Lane, London, E.C.4.

JAMES, EDWARD ENOCH MORRIS, Clerk to Deloitte, Plender, Sydney-Merritt & Co. (Casilla 10v), Valparaiso, South America.

LAW, DOUGLAS EDWARD, A.C.A. (A. & E. Law & Co.), Kingscourt, Bridge Street, Walsall, Practising Accountant.

LEMMON, ROLAND CHARLES, Clerk to Davies, Gantner, Lovell & Co., 5, Great Winchester Street, London, E.C.2.

ROBERTS, ARTHUR FRANCIS, Clerk to Grace, Darbyshire and Todd, 6, Bridge Street, Bristol.

SHAW, CYRIL ARTHUR, Clerk to F. Geen & Co., Victoria Chambers, Stoke-on-Trent.

THOMAS, WILLIAM, Clerk to F. J. Webb, 1, Yelverton Road, Bournemouth.

WALLIS, PHILIP NORMAN, Clerk to Greenhalgh, Sharp and Co., 30, Brown Street, Manchester.

"CHANGES IN COMPANY LAW."

SUPPLEMENT TO DECEMBER ISSUE.

Subscribers are requested to make the following corrections on their copies of the above Supplement :—

Paragraph 21, third line from end, for the words "all of" substitute "or."

Paragraph 24, fifth line from end, for the words "to a Director" substitute "by a Director."

It may also be useful to add the following to paragraph 34 :—

Floating Charge.—By Section 266 a floating charge on the undertaking or property of the Company may now be challenged in certain circumstances if created within six months of the commencement of the winding-up, instead of three months as provided by Section 212 of the 1908 Act. (The reprint referred to below requires no correction or addition.)

The Supplement, having been sold out within a week of issue, has been reprinted in pamphlet form. It may be obtained (price 2s. 6d., or 2s. 8d. post free) from :—

The Society of Incorporated Accountants and Auditors, Incorporated Accountants' Hall, Victoria Embankment, London, W.C.2.

T. Whittingham & Co., Ltd., 35, Bucklersbury, E.C.4.

Gee & Co. (Publishers) Ltd., 6, Kirby Street, E.C.1.

Or from any bookseller.

Obituary.

HENRY TOOTHILL.

With great regret we record the death, in his 81st year, of Mr. Henry Toothill, one of the original Fellows of the Society of Incorporated Accountants and Auditors. Mr. Toothill was senior partner in the firm of Messrs. Henry Toothill & Son, Incorporated Accountants, and a well-known figure in Sheffield. He was born in Sheffield on June 9th, 1849, and was the son of the late Mr. Henry Toothill, cutlery manufacturer. Educated privately, he commenced practice as an accountant in Sheffield in the year 1872. For many years he was Hon. Secretary of the Sheffield and District Society of Incorporated Accountants, of which subsequently he became the President. On June 10th last Mr. Toothill was entertained by the members of the Sheffield and District Society in celebration of his 80th birthday, and he had the satisfaction of being welcomed by his son and partner, Mr. Percy Toothill, F.S.A.A., as President of the District. In making a presentation to him on behalf of the members, Mr. E. Ransom Harrison, F.S.A.A., said that it was due in no small measure to Mr. Henry Toothill's efforts that the Sheffield and District Society occupied the strong position it now held. The funeral took place on December 10th, when there was a large and representative attendance of relatives and friends. Mr. Percy Toothill was chief mourner, and the Sheffield and District Society of Incorporated Accountants was represented by Mr. Leslie Lewis (Vice-President), Mr. C. H. Wells, Mr. J. H. Freeborough (Past President), and Mr. J. W. Richardson (Secretary). Other Incorporated Accountants who attended were Mr. Harold F. S. Corker, Mr. Donald Craig, and Mr. Walter Foulston. Flowers sent included wreaths from the Society of Incorporated Accountants and Auditors and the Sheffield and District Society of Incorporated Accountants.

ALEXANDER ALLAN RATTRAY.

We regret to observe an announcement of the death of Mr. Alexander Allan Rattray on November 30th at Kingston Hill, Surrey. Mr. Rattray was admitted an Associate of the Society of Incorporated Accountants and Auditors in the year 1900 and a Fellow in 1904. He was a partner in the firm of Messrs. Wilson, Rattray & Co., of Sydney, Adelaide, Brisbane and Newcastle, Australia, and for some years acted in the capacity of Hon. Secretary of the Society's Committee in New South Wales. He was keenly interested in all that concerned the Society's organisation and kept in touch with Headquarters on his frequent visits to England. The announcement of his decease has come as a painful surprise to his friends in this country.

ACCOUNTANT OFFICERS, ROYAL AIR FORCE.

The Air Ministry announces that an examination will be held in the latter part of March, 1930, under the scheme inaugurated in 1924 for the entry into the Accountant Branch of the Royal Air Force of qualified and experienced civil accountants. About six vacancies are likely to be available. The age limits are 22 to 26.

The competition will be held in London by the Civil Service Commissioners and will include (1) an examination in book-keeping and accountancy (excluding partnership and executorship accounts), the standard being that of the Final examinations of the Institute of Chartered Accountants and the Society of Incorporated Accountants and Auditors; (2) an examination in English and general knowledge (essay, précis and questions to test knowledge of matters of general interest); and (3) an interview before a selection board at which stress will be laid on accounting experience and special weight given to the type of experience provided by articled service.

The emoluments of an Accountant Officer consist on the one hand of pay, and on the other of accommodation, fuel, light, rations and personal attendance provided in kind. When the latter are not available cash allowances are granted in lieu. The total of the pay and cash allowances of accountant officers range at present rates from about £400 a year for an officer on first entry to £1,135 a year for a married officer in the highest rank.

The Accountant Branch provides a permanent career. It is not, of course, possible to pledge the future, but so far as present foresight can show the Branch will be subject to no sudden changes affecting adversely the fortunes of its officers. The Air Force is at present a growing service, and the duties thrown on the Accountant Branch are such as will, so far as can be foreseen, always be required.

Officers enter the Branch with the rank of Pilot Officer and on probation. After twelve months' satisfactory service they are confirmed in their commission and promoted to Flying Officer. Thereafter promotion is by selection. The next ranks are Flight-Lieutenant and Squadron-Leader, and it is contemplated that officers who give satisfactory service should be promoted at least up to the latter rank, while a reasonable proportion would be able to expect promotion to the higher rank of Wing Commander and some to the rank of Group Captain. It must be understood that promotion depends on requirements and requirements on future circumstances, but the policy of the Air Ministry is directed to ensuring to Accountant Officers a career not inferior to that indicated above.

The length of the career provided depends on the rank attained. The compulsory retiring ages are: for Squadron Leaders 53, for Wing Commanders 57, and for Group Captains 60; any officers not attaining the rank of Squadron Leader would be retired at the age of 50.

Application should be made to the Secretary, Air Ministry (S.7), Kingsway, London, W.C.2, for the regulations and for application forms. Completed application forms should reach the Air Ministry by February 1st, or at latest by February 15th.

The death is recorded of Mr. William Edward Bracher, A.S.A.A., of Bristol, who was killed in a motor cycling accident on November 27th last. Mr. Bracher was elected an Associate of the Society on July 21st, 1921.

Correspondence.

DIRECTORS' FEES FREE OF INCOME TAX.

To the Editors *Incorporated Accountants' Journal.*

SIRS,—We shall be pleased to receive your opinion on the following matter.

It is the custom in this district for cotton spinning companies to pay directors' fees free of income tax—that is, the companies pay the income tax.

We have always maintained that the tax payable should be included in directors' remuneration, but in many cases the companies will not do this and include the tax on directors' fees with the other income tax levied on the companies.

The method adopted by the Inspector of Taxes to arrive at the income tax payable is to take the actual fee paid to a director, add thereto the tax paid in the previous year and call this the gross assessment. From this he deducts one-sixth for earned income relief (subject to a maximum of £250) to give the taxable amount.

In some cases, also, a deduction is made of part of a director's personal allowance, in which case the company would pay the income tax as assessed and also pay to the director in cash the tax value of any allowances other than the one-sixth earned income relief.

This we consider proves that the income tax is a charge on the director and not on the company, and for that reason is part of the director's emoluments.

Do you consider that the auditors are justified in insisting that the income tax on directors' fees shall be included under the heading of directors' remuneration in the profit and loss account following sect. 128, Companies Act, 1929.

Nothing is said about this in the excellent little supplement to the *Journal*, December, 1929.

Yours faithfully,
W. L. & S.

[Income tax on directors' fees if paid by the company certainly appears to come within the definition of "Emoluments" in sect. 128 (5) of the Companies Act, 1929, and therefore, under the provisions of 128 (1) (*c*) of the Act, constitutes part of the directors' remuneration required to be shown in the accounts. "Emoluments" are defined as including, *inter alia*, "payments made or consideration given directly or indirectly to a director as such."—EDS. *I.A.J.*]

Changes and Removals.

Mr. Henry Bramall, Incorporated Accountant, of 12, St. James' Street, Sheffield, has taken into partnership Mr. Joseph H. Godfrey, Incorporated Accountant. The name of the firm will be Henry Bramall & Co.

Mr. Arthur Daniels, Incorporated Accountant, has removed to Bank Chambers, 57, Palmerston Road, Southsea.

Messrs. Jacques & Stirk have removed from National Provincial Bank Chambers to 9, Henry Street, Keighley.

Messrs. Greaves & Co., Prudential Chambers, Bank Street, Carlisle, have taken into partnership Mr. G. A. Ferry, Incorporated Accountant. There will be no change in the name of the firm.

Mr. J. W. Lussignea, Incorporated Accountant, has removed to 64, West Smithfield, London, E.C.1.

Mr. R. I id, Incorporated Accountant, and Mr. W. A. Kenny, Incorporated Accountant, have been admitted as partners in the firms of Messrs. Purtill & Co. and M. Crowley & Co., 33-34, Anglesea Street, Dublin. The styles and titles of the firms will remain unchanged.

Mr. M. L. Tarmaster, Incorporated Accountant, Calcutta, has admitted into partnership Mr. O. D. Ezra, Incorporated Accountant. The style of the firm will be unchanged.

Mr. Alfred Wroot, Incorporated Accountant, has removed to 7, West St. Mary's Gate, Grimsby.

The Incorporated Accountants' Benevolent Fund.

THIRTY-SEVENTH ANNUAL MEETING.

The 37th annual meeting of subscribers was held at Incorporated Accountants' Hall on December 19th. Sir James Martin, President of the Fund, occupied the chair, and was supported by the following subscribers: Mr. A. R. King Farlow (Vice-President of the Fund), Mr. E. W. C. Whittaker, J.P. (Trustee), Mr. George Palmer (Trustee), Mr. E. Cassleton Elliott (Vice-President of the Society of Incorporated Accountants), Mr. Thomas Keens (ex-President of the Society), Mr. W. H. Payne, Mr. R. T. Warwick, Mr. R. W. L. Clench, Mr. J. A. Cook, Mr. James C. Fay, Mr. W. J. Freeman, Mr. C. B. Hewitt, Mr. S. Grave Morris, Mr. A. A. Garrett (Hon. Secretary).

An apology for absence was received from Mr. W. McIntosh Whyte, Chairman of the Trustees, who was temporarily indisposed.

President's Address.

Sir James Martin, in moving the adoption of the report and accounts, said he had much pleasure in asking them to adopt the annual report and accounts of the Benevolent Fund, a copy of which was in their hands. The past year had been characterised by steady progress both in regard to the revenue and the beneficient work carried out by the Trustees. The increase in revenue was mainly attributable to a satisfactory increase in life subscriptions from £84 in 1928 to £120 15s. in 1929. He desired to thank those subscribers who had responded to his appeal at the beginning of the year for life subscriptions. He hoped this feature would continue. Annual subscriptions were £655 14s. 6d., against £657 6s. last year, and donations were £191 15s., against £211 11s. There was a surplus on the revenue account for the year of £526 14s. 1d., and the accumulated Fund amounted to £9,288 10s. 2d. In addition to those members in Great Britain who had contributed to the Fund for so many years, he gratefully acknowledged the continuous and increasing support given by Incorporated Accountants in the British Dominions and elsewhere overseas. He was pleased that the Society's South African Committee (Western Branch), Cape Town, had sent a contribution of £21, and the Eastern Branch at Durban, more recently formed, had sent £5 5s. They appreciated the interest shown in this way. That afternoon he particularly stressed the actual work carried out by the Trustees. The amount voted in grants had increased from £751 4s. in 1928 to £768 14s. during the past year, and the number of cases dealt with had also increased. It was a satisfaction to all of them that the Trustees had been able to give comfort to some of their old members, and widows of members who were in unfortunate circumstances. The cordial letters of gratitude received by the Trustees from those who had received help testified to the value of this branch of the work. On several occasions he had mentioned instances where the Trustees had been able to provide for the education of boys and girls of deceased members. He was happy to do so again because there were a number of cases of this character with which the Trustees were dealing now, and because the Honorary Secretary had drawn the attention of the Trustees to a happy example of what the Trustees had been able to do in this direction. Some four years ago the Trustees were instrumental in aiding the daughter of a deceased member to continue her education at a good secondary school. Having completed her education, she found for herself a position in the City, and more recently, through the introduction of a subscriber to the Fund, she had obtained a post at a substantial salary where she was doing very good work. He believed that as years went on the interest of Incorporated Accountants in their own Benevolent Fund would increase and enable the Trustees to carry out as generously as possible the work to which they gave so much time and attention. (Applause.)

Mr. E. W. C. Whittaker (Trustee) said it gave him much pleasure to second the motion for the adoption of the report and accounts. He hoped that in a short time they would see their invested funds amount to £10,000. As one of the original Trustees he could speak from first-hand knowledge of the timely assistance rendered by the Fund which called for the generous support of their members.

Mr. George Palmer (Trustee) said that he felt strongly that the Fund had a claim on every Incorporated Accountant, and he hoped the time would come when a definite part of the subscriptions to the Society o Incorporated Accountants would be allocated to the Benevolent Fund. He had mentioned that idea previously. In the meantime he was satisfied with the good work of the Fund, and he hoped that the invested funds would increase in the near future by a substantial amount.

Sir James Martin, in reply to Mr. Palmer, said it had always been their pride and satisfaction that the Benevolent Fund was on a purely voluntary basis both as regards the contributions received and the friendly help they were able to offer to their fellow members and their dependants. He, for one, would place great reliance upon the voluntary spirit which actuated the Fund, and he was sure that a

generous measure of support would continue to be given in that way. (Hear, hear.) He did not feel it would be desirable or practicable to earmark for benevolent purposes any part of the subscriptions paid to the Parent Society.

The motion was carried unanimously.

ELECTION OF PRESIDENT.

Upon the motion of Mr. E. Cassleton Elliott, seconded by Mr. J. A. Cook, it was resolved unanimously that Sir James Martin be re-elected President of the Fund. Mr. Cassleton Elliott said that they all knew what Sir James had done for the Fund and for Incorporated Accountants in other ways. Although the interests of Sir James covered a wide field, they were glad he was able to maintain his intimate connection with that valuable work.

ELECTION OF VICE-PRESIDENTS.

Mr. Thomas Keens proposed the re-election of the existing Vice-Presidents, and he also wished to ask their assent to a proposal that Sir Harry Hands, K.B.E., Chairman of the South African (Western) Committee, Cape Town, be invited to become an additional Vice-President. Sir Harry Hands was a Life Subscriber, and they also desired to acknowledge in a practical way the continued interest of their South African members.

Mr. S. Grave Morris seconded, and the motion was unanimously adopted.

ELECTION OF TRUSTEES.

Upon the motion of Mr. R. W. L. Clench, seconded by Mr. W. H. Payne, it was resolved that the following trustees be re-elected: Mr. E. W. C. Whittaker, J.P., Mr. Arthur E. Piggott, Mr. W. McIntosh Whyte, Mr. H. J. Burgess, and Mr. George Palmer.

Mr. Clench and Mr. Payne referred to the responsible and kindly work of the Trustees, for which they were all indebted.

Mr. Whittaker acknowledged on behalf of himself and his colleagues their re-appointment.

ELECTION OF HONORARY AUDITOR.

Mr. C. B. Hewitt proposed, and Mr. R. T. Warwick seconded, that Mr. W. Southwood Smith be re-appointed Honorary Auditor, and expressed the thanks of the subscribers for his past services. The motion was carried unanimously.

VOTE OF THANKS TO PRESIDENT.

Mr. Thomas Keens proposed, and Mr. George Palmer seconded, that the hearty thanks of the subscribers be accorded to the President of the Benevolent Fund for his interest and his conduct in the chair that day.

Report of the Trustees.

The Trustees have pleasure in presenting to the subscribers and donors their thirty-seventh annual report.

There has been a substantial increase in the amount received from life subscriptions, but annual subscriptions are approximately the same as for the previous year, while there has been a small decrease in the amount from donations. The total revenue shows an increase over the previous year of £40 13s. 11d.

During the past year the Trustees have been able to give valuable aid to an increased number of applicants. Grants have been made to necessitous members incapacitated by age or other circumstances. Widows and dependants of deceased members have been helped and the Fund has also been of material assistance in the education of orphan children.

The expenses of the Fund have been confined, as usual, to the necessary outlays for printing and postage.

Particulars of the grants paid are as follows: £67 10s. (in addition to £368 previously granted to her and her late husband) to the widow of a former Fellow of the Society who is in reduced circumstances; £52 10s. (in addition to £183 previously granted) to an Associate of the Society in poor circumstances (since deceased); £50 (in addition to £336 10s. previously granted) to an Associate of the Society of advanced age, whose small means are inadequate for his support; £25 (in addition to £255 previously granted to a Member of the Society during his lifetime) to the sister of a deceased Fellow of the Society whose health had necessitated his retirement from public practice on slender means; £40 (in addition to £140 previously granted) to the widow of a former Fellow of the Society who was a permanent invalid; £52 (in addition to £116 previously granted) to the wife of a Fellow of the Society who had to relinquish his practice owing to ill-health; £40 (in addition to £120 previously granted) to the widow of a former Fellow of the Society, who died after a long illness and who for many years had been an invalid; £10 (being part of grant of £40, in addition to £110 previously granted) to a Fellow of the Society who, for a time, has been unable to follow his profession; £84 (in addition to £184 previously granted) to the widow of a Fellow of the Society towards the maintenance and education of her four young children; £50 (in addition to £62 10s. previously granted) to a former Member of the Society of over 80 years of age, who is blind; £50 (in addition to £62 10s. previously granted) to the mother of an Associate of the Society, who was killed in action (the recipient is over 80 years of age); £40 (in addition to £40 previously granted) to the widow of an Associate of the Society, who was left with slender means, towards the education of her son; £10 (being balance of a grant of £40) to the widow of an Associate, who died after a long illness; £20 (in addition to £36 previously granted) to a former Fellow of the Society in poor circumstances; £47 14s. (in addition to £29 14s. previously granted) to the widow of an Associate of the Society, who died at an early age and was unable to make adequate provision for his family; £40 to the widow of a Fellow of the Society who practised in South Africa, towards the education of her child; £10 (part of a grant of £40) to an Associate of the Society, who was in straitened circumstances owing to the sickness of his wife and family; £10 to the widow of an Associate of the Society for immediate expenses in connection with the education of her son; a further grant is under consideration; £10 (being part of a grant of £40) to a Fellow of the Society in permanent retirement owing to ill-health; £20 to an Associate of the Society of slender means and of advanced years who is in permanent retirement; £13 (being part of a grant of £52) to the widow of a Fellow of the Society, who died at an early age, for the education of her child; £17 (being a special grant) to the widow of a Fellow of the Society for the education of one of her daughters; a further grant is under consideration; £10 to a Fellow of the Society in ill-health and straitened circumstances.

The accounts for the year ended September 30th, 1929, duly audited, are annexed to this report, together with a full list of subscribers and donors.

Dated this 5th day of December, 1929.

JAMES MARTIN, *President.*

W. MCINTOSH WHYTE
ARTHUR E. PIGGOTT
E. W. C. WHITTAKER
HENRY J. BURGESS
GEORGE PALMER
} *Trustees.*

ALEXANDER A. GARRETT, *Hon. Secretary.*

THE INCORPORATED ACCOUNTANTS' BENEVOLENT FUND.

Dr. REVENUE ACCOUNT *for the Year ended September 30th*, 1929. Cr.

	£	s.	d.		£	s.	d.
To Printing, Postages, &c.	78	9	0	By Annual Subscriptions	655	14	6
„ Grants	768	14	0	„ Life Subscriptions	120	15	0
„ Balance	526	14	1	„ Donations	191	15	6
				„ Dividends and Interest (including Income Tax recovered)	405	12	1
	£1,373	17	1		£1,373	17	1

BALANCE SHEET, *September 30th*, 1929.

	£	s.	d.	£	s.	d.
Sundry Creditors	55	0	0	Cash at Bankers—			
Revenue Account—				Current Account	40	15	11
Balance at Sept. 30th, 1928 £8,761 16 1				Deposit Account	200	0	0
Add Balance for 1929 .. 526 14 1				Sundry Debtors	36	5	10
	9,288	10	2	Investments at Cost—			
				£2,750 4½ per cent. Conversion Stock 2,582 5 2			
				£900 4 per cent. Funding Loan, 1960-90 .. .. 676 18 6			
				£1,262 17s. 4 per cent. Consolidated Stock .. 1,000 0 0			
				£3,937 3½ per cent. Conversion Stock 2,991 2 6			
				£500 India 3½ per cent. Stock 533 9 0			
				£484 17s. 4d. Local Loans 3 per cent. Stock .. 466 0 0			
				£200 London County 3 per cent. Consolidated Stock 171 16 0			
				£204 0s. 10d. New South Wales 5½ per cent. Stock, 1922-1932 .. .. 197 3 9			
				£208 10s. New Zealand 4½ per cent. Stock, 1929 .. 260 16 0			
				£300 London & North Eastern Railway 4 per cent. First Preference Stock 246 17 6			
					9,066	8	5
	£9,343	10	2		£9,343	10	2

W. MCINTOSH WHYTE, *Chairman of Trustees.*

I have examined the above Accounts, together with the Books and Vouchers, and find the same to be correctly stated. I have also verified the Securities of the Fund.

61, West Smithfield, London, E.C.
December 5th, 1929.

W. SOUTHWOOD SMITH,
Incorporated Accountant,
Hon. Auditor.

THE FINANCIAL POSITION OF THE COUNTRY.

At a general meeting of members of the London Chamber of Commerce, held on December 16th, 1929, the following resolution was proposed by the Right Hon. Lord Melchett, seconded by Mr. W. W. Paine, and supported by Sir James Martin :—

"That this meeting of manufacturers, merchants, bankers, shipowners and others, views with grave concern the ever-growing burden of national taxation which has already rendered it difficult for British manufactured goods to compete with the products of other countries in the markets of the world, and which, if increased, could not fail to accentuate the present depressed condition of British trade. It wishes to emphasise, in the strongest possible manner, that the employment of the people and the betterment of their standard of living depend upon the prosperity of industry, and that the diversion by the State of financial resources essential to the healthy development of productive industry, when employed for non-productive social services, must defeat its own aim, by increasing unemployment, and ultimately lowering the standard of living of the people."

The resolution was carried in a largely-attended meeting with two dissentients.

Yorkshire District Society of Incorporated Accountants.

ANNUAL DINNER.

The annual dinner of the Yorkshire District Society of Incorporated Accountants was held at the Queen's Hotel, Leeds, on December 11th, 1929. The President of the District Society (Mr. WM. WALKER, A.S.A.A.), presiding. The guests included the following:—The Lord Mayor of Leeds (Mr. N. G. Morrison), Mr. Arthur Michael Samuel, M.P., Mr. Henry Morgan (President, Society of Incorporated Accountants and Auditors), and Mr. Thomas Keens (Past President), Mr. T. F. Braime (President, Leeds Chamber of Commerce), Mr. C. P. C. Hitchen (President, Leeds Chamber of Trade), Mr. R. S. Dower (President, Leeds Steel Trade), Mr. James Mitchell (City Treasurer of Leeds), Mr. R. C. Kidson (President, Auctioneers' and Estate Agents' Institution of the United Kingdom), Mr. H. Clifford Bowling (President, Leeds Law Society) and Mr. H. E. Clegg (Secretary), Mr. J. A. Hulme (President, Manchester District Society of Incorporated Accountants), Mr. W. Metcalfe McKenzie (President, Newcastle-on-Tyne and District Society of Incorporated Accountants), Mr. Charles W. Boyce (President, Leeds and District Society of Chartered Accountants), Mr. H. H. Lane (Clerk to the Commissioners of Income Tax, Leeds), Mr. J. W. Richardson (Secretary, the Sheffield and District Society of Incorporated Accountants), Mr. C. S. Shapley (President, the Institution of Gas Engineers), and Mr. J. R. W. Alexander (Parliamentary Secretary, the Society of Incorporated Accountants and Auditors).

The PRESIDENT proposed the toast "The King," which was duly honoured.

Mr. ARTHUR MICHAEL SAMUEL, M.P., said: I am very pleased and grateful that I have been entrusted with the toast of "The Society of Incorporated Accountants and Auditors." When it was suggested to me some weeks ago that I should come down here and be your guest I made no hesitation in saying that I welcomed the opportunity for a variety of reasons, and the reasons are, in many cases, as I will explain to you, of a personal nature. In the first place I can say with gratitude that I have for nearly 20 years sat at the feet of one man and been the colleague of another man whose names are held in high respect and great affection not only by this Society but also by me. One man is Sir James Martin and the other is Mr. Keens. I was glad, therefore, to do anything I could to testify to the respect I bear for this Society and for those two men who are associated with it. But there is another reason why I am glad to come here. I hold the profession of accountants in very high esteem, and if you may for a moment hesitate to doubt my sincerity I can prove to you how high I hold the profession of accountants in my own opinion. I have but one son, a boy of 15, and I am going to make him an accountant. There can be no doubt, therefore, when I ask you to drink prosperity to this Society that my heart goes with you. There is another reason. I have been bred and born in trade, like most of you, and having been in the House of Commons, and there held two Ministerial offices connected with trade, I know the immense value of accountants to the national Councils, and this fact is impressed upon me: there are two types of men whom we want more of in the House of Commons. One is the medical man and the other man is the trained accountant. The House of Commons is always grateful to hear men with expert knowledge—those men who deal with therapeutics, the body physical, and those men who analyse the accounts of the body commercial. It is a great regret to me that Mr. Keens, who worked with me, although not on the same side—it is true that he is a Liberal and I am an old Tory, yet I do not think there is a thickness of writing paper between us—is not still in the House of Commons, but I hope he will come back even as a Liberal. At times I have said to him "I am going to put up a Private Bill. Will you trust me?" "Yes," he said, "I will trust you." "Will you back the Bill without seeing the contents?" "I will," and he did. You have to thank him for helping me to get through the reform of the Bankruptcy Law. I am glad to be here for another reason, because I have got something to say to you. I want to confess that there are few bodies of men to whom I would say what I am going to say to-night, because it would probably bore them, but accountants—and there are also present lawyers and others who have highly-skilled intellects—will precede me in thought in applying their minds to something which I have wanted to say for some months.

OVERSEAS LENDING POLICY.

"As unemployment is our main problem," Mr. Samuel continued, "I have been wondering in that connection whether our overseas lending policy has been too haphazard as to destination, or too undiscriminating, or even taken beyond the limits of prudence. Has an appreciable amount of British savings passed as a gift, in the form of exports, to overseas borrowers? Are we wise to invest abroad the whole of our overseas trade nett credit balance? Ought we to try to bring home a considerable portion of it in form acceptable to ourselves, and invest it here? And if so, what proportion of the nett balance? I want to examine the theory that if we lend less overseas, and if we also increase imports, bringing them home in a form selected by us so as to suit our purposes, there will be no resultant decrease of our exports. If the theory is sound, then I think home employment would benefit by its application, and increase of national wealth would result. It is an accepted view that "new" money lent to overseas borrowers can leave us only by the export, ultimately, of goods, services or gold. It is, however, wrong to say that every loan by British investors to overseas borrowers creates fresh exports of British goods. It is not true of refunding oans. Loans amounting to many millions have been raised here by overseas borrowers for the purpose of repaying old debt, or even for providing interest on earlier loans. Such loans have not created fresh exports of British goods. We must guard ourselves, therefore, against accepting without qualification the assertions that every British loan to overseas borrowers expands British export trade, and that if we do not lend abroad we cannot sell for export. We have frequently lent abroad without creating fresh exports; we have frequently sold for export without granting a loan to an overseas borrower. Moreover, the transfer of credits created by our loans to overseas borrowers is now sometimes carried out by methods which are of recent growth. Among those methods are the facilities provided by the existence in various parts of the world of credit funds belonging to Central Banks, to international and other banks and their branches. Book entries, therefore, can now in some cases, and in some degree, replace the movement of goods and gold. Account must also be taken of the habit of the Central Banks of France, Germany and the United States, of transferring gold internationally, regardless of rates of interest and of rates of exchange. Our pre-war overseas investments were placed at £4,000 millions. It is

estimated that we parted with £1,000 millions of our overseas investments owing to the war. Last year, at the request of the Association of British Chambers of Commerce, I published an explanation of our overseas trade balance. Among the figures I then examined was the nominal total amount of British-owned overseas investments upon which we received income. Omitting private adventure money, it was, roughly, in 1927-8, £4,000 millions. That is to say, nominally the same amount as before the war.

During the last fifty or sixty years we have year by year invested abroad very large sums. These sums consisted of not only the credit balances accruing on the trade and financial transactions of each year, but also of large capital sums derived from our industry. The credit balance for 1913 has been estimated at about £180 millions, a figure probably much above the average. What the average annual credit balance was we do not know. I wish the Committee of Civil Research would set a team of young statisticians to work to find out the truth. Let us assume an average credit balance of only a hundred millions invested annually. This average would in sixty years aggregate to £6,000 millions, and this would only cover overseas trade credit balances. What has been the overseas investment of other savings? Even the reinvestment of sinking fund money would amount to a large sum. Cannot the Committee of Civil Research discover an approximate total for us?

Whatever that total may be, our surviving overseas investment of £4,000 millions appears alarmingly small. That is my point. It would still be small even if private venture money (say another £500 millions) were included. Money has been continually invested overseas in private ventures, as well as in joint stock enterprises. What has become of the vast unknown sum which represents the difference between our present possession of £4,000 millions, and the aggregate of sixty years of overseas investments? Refunding loans have been left out of the account, as they constitute no fresh obligation on the borrower. Part of the unknown difference is represented by repayment of loans on maturity, through sinking funds and drawings. And the aggregate of such repayments is large. But I am bound to say that, in my opinion, a good part of the original "new" money overseas loans has been lost. Those original loans went overseas in the form of exported goods. Many of the loan certificates issued by the borrowers and received by our investors are to-day valueless. The exported goods, paid for by loans made by us, have, in effect, been a free gift by us to the borrowers. Do we realise that?

Let me give you an example of what I mean. Many U.S. railroads after 1868 borrowed in Britain large sums for development. Most of those same railroads went into the hands of a Receiver, with the result that those British investors who held the relative U.S. railroad securities lost their money. Remember that while Britain was investing "new" money in those days in U.S. railroads our exports increased greatly. Exports were created by the original loans. We rubbed our hands in satisfaction at the Board of Trade returns showing yearly increases of exports. But did we realise that exports in such circumstances ultimately constituted private and public losses to Britain? Although, for example, our rail makers received payment for the rails they sold, the money came out of funds provided by British investors, and as the railroad securities received by our investors eventually became worthless securities in bankrupt railroads, Britain as a whole received no payment for those rails. Would it not have been better for Britain if we had not placed our savings in those particular loans? It is plain that as many of the exports created by the loans were ultimately never paid for they became a gift to America from Britain. If our savings had been used in British home loans, and had extended home undertakings to increase our efficiency, and if there had then been a bankruptcy of those undertakings, the fixed assets upon which the money had been expended would at least have been possessed by us here in Britain. But as the savings were invested and lost in American railroads, the result was that we lost our savings in the form of exported goods, although the railroads still exist in America. Thus America benefited, and not ourselves, who provided the money to build the railroads and develop the United States.

Similarly we invested money in Egypt before 1882, in Turkey, in Eastern and Central Europe before 1913, in parts of Central and South America, in Asiatic and Central American railroads, and in other investments all over the world. The aggregate is vast. Much is a dead loss to the British investors, and to the nation itself. But the money, although lost by us, has developed the countries in which it has been sunk. Before the war we invested in Russia a sum in the neighbourhood of £300 millions. Many millions were lent prior to 1913 to develop Mexico. Our pre-war trade returns reflected increased exports as a result of those loans. What is there now to show for £400 or £500 millions of our money in Russia or Mexico? Take the case of certain railroads in Mexico and Russia. The savings of British investors built, or extended, those railroads. They have for many years given no return on the money so borrowed. We hold securities of the railroads worth little more than waste paper, representing British goods exported. Thus the railroads created in such foreign countries by our savings were gifts by us to those foreign countries. It would have been better if British investors in those railroads had kept their money at home, and had not provided exports as gifts to the overseas borrowers.

The Committee of Civil Research should ascertain whether the nation has been living in a fool's paradise if an appreciable portion of the value of the exports shown in the trade returns has ultimately never been received by us as a nation. Has money been wasted in overseas loans that might have been put to useful purpose at home? If British investors lent to overseas borrowers money which sooner or later left us in the form of British goods, that is all right up to that point. But if the overseas borrowers ultimately defaulted on the paper obligations given by them to British investors who had provided their savings as payment for the British goods so exported, then those British goods were paid for by the British investors, and presented by them as gifts to the overseas borrowers. There are those who go so far as to say that, in some cases, loans by British investors to foreign borrowers have not only been lost by us but have helped foreign countries to develop the manufacture of goods now sold in competition against our own manufactured products.

You cannot dictate to the British investor where, or how, he should invest his money. But if our haphazard overseas lending policy in the past has in some degree been wasteful from lack of expert guidance as to which is the direction of investment most beneficial to us, then a team of expert economists should analyse the facts, and lay the result before public opinion. Public opinion can then be left to do the rest without interference.

We received £285 millions per annum as income (1929) on our total nominal £4,000 millions of overseas investments: that is to say, a yield at the average rate of 7 per cent. I say nothing about the capital lost abroad, which yields nothing and reduces the average 7 per cent. if it be

taken into calculation. We have preferred to accept the 7 per cent. rather than 5 per cent. at home. But has it paid us to ignore our losses and on our surviving investments to accept the 7 per cent., employing foreign labour, rather than 5 per cent. at home employing home labour? It is, of course, essential for us to invest abroad in order to develop the British Empire and to increase and cheapen our supplies of food and raw materials from foreign countries who in turn are valuable customers of ours. We also need to create a reserve chest for overseas payments in time of war. But what I want to know is, how much have we lost by undiscriminating lending to overseas borrowers, and whether our home employment has suffered thereby. Are we investing in the right direction? Are we investing abroad too large a portion of our overseas trade nett credit balance? It is a question of degree. What is the degree? Experience has shown that we do lose a portion of our overseas investments. Would it not be better to lose the money at home?

Our expenditure on new houses over the last nine years has enabled us to bring home in form acceptable to ourselves perhaps £350 millions of our overseas trade credit balances. Much of this sum would otherwise have been invested overseas to earn, let us say, 7 per cent. per annum. Our housing policy thuscaused an increase of acceptable imports. But as the new houses could not be exported they created no fresh exports to pay for the imports they called for. The result was that our overseas trade credit balances sank to a relatively low figure for several years prior to 1928. The housing policy, giving rise to the increase of imports, created employment in the building and co-operant trades. It has left us with assets in the form of new houses, instead of increased overseas investments, good or bad. But what proof is there that this house-building policy decreased or checked exports? Our overseas trade nett credit balance for 1928 was £149 millions. Part of it was immediately invested overseas where it was earned, and while the remainder was brought home for dividends, head office expenses, and so on, an equivalent sum was lent to overseas borrowers. Thus, in effect, we may regard the whole overseas trade nett credit balance as being invested abroad. Let us use the 1928 figure to illustrate my point. Suppose we do not invest the whole of our £149 millions of overseas trade nett credit balance in fresh overseas loans. Suppose we leave some of the non-British overseas would-be borrowers to obtain their loans elsewhere. Suppose, then, we find convenient means to bring home in form acceptable to ourselves part of our overseas trade nett credit balance. Will not credit here then be cheapened and become more plentiful for home investment? Will it not seek employment in industry, and so stimulate productive extensions at home, and more employment for labour? Will it not therefore cheapen the cost of the goods produced, and in this way enable us to extend our export trade? Our great need is to increase our export trade, and the clog on our export trade is that our goods are too dear. And if our savings are invested here and ost here, will not the fixed assets which the investments produced at least remain here as an asset of some value to us? It looks as if we may have pursued an undiscriminating overseas lending policy in an unwise direction, and beyond the limit of prudence. Bearing in mind the object lesson of the influence of the house building policy on our imports, we must now analyse our overseas lending policy and its effect, so that we may be enabled to eliminate what may prove to be an hitherto undetected flaw in our economic system. (Applause.)

Mr. HENRY MORGAN, F.S.A.A., President of the Society of Incorporated Accountants and Auditors, responding to the toast, said this was the second time during the last few weeks that Mr. Samuel had attended a gathering of Incorporated Accountants, and his presence had once again afforded them intense pleasure and intellectual entertainment. They had greatly appreciated the splendid speech which he had delivered, especially as their professional work demanded that they should keep in touch with authoritative opinion on current affairs as they affected business and finance. He was not going to attempt to reply to the points that had been raised in various arguments by Mr. Samuel. To do so would be merely to expose his ignorance and incompetence, but he was going to put forward as a suggestion that the money which had been lost during the past two years on our foreign investments was small compared to the money lost by the investing public in companies in this country.

THE FRENZY OF SPECULATION.

In replying to the toast he was going to speak upon a matter which appeared to him to be very important at the present time. When he was in Leeds five years ago, attending the Autumnal Conference of their Society, woollen manufacture, one of the great staple trades in this district, was passing through a very difficult time, and trade generally was depressed. It was advanced by a prominent business man whom he met that there were decided signs of improvement. It was evident, he regretted to say, that those hopes had not been realised. Unemployment was increasing, and those who were directing the great productive industries viewed the immediate outlook with no little concern. Many reasons had been advanced to account for the acute depression which had now existed for many years past, and no doubt there wermany contributory causes, but to his mind nothing had contributed in a greater degree towards the unsatise factory outlook at the present time than the frenzy of speculation in stocks and shares during the last two years. It was strange how at times this speculative fever seemed to seize nearly every class of the community. The great boom in the United States which caused such sensational advances in the price of shares extended to this country, and scores of thousands of people who had previously had little or no experience of Stock Exchange business began to speculate. What happened during 1928 and the early part of the present year was common knowledge; how the public were loaded up with shares at grossly inflated prices, and how large sums of money were subscribed for new companies, in many of which shareholders had already lost every penny. He could well remember the time when it was regarded as reprehensible that directors should speculate in the shares of their companies. Such a practice was to be condemned, not only because it was not proper that directors should take advantage of knowledge which was denied to the general body of shareholders, but because when they stood to benefit or otherwise by decisions which they had to make, they could not exercise that independence of judgment which it was vitally necessary they should display. The growing tendency of directors of public companies to be deeply interested in the market in the shares had been an unsatisfactory feature of recent years, and it was surprising that it was not commented on more strongly when cases occurred where company interest had been gravely endangered, or even ruined, by directors coming to grief as a result of dealings in its shares.

As all of them were aware, a new Companies Act was passed at the beginning of this year, but it had only just come into operation. He would not for a moment belittle the great work of the last Companies Committee, but he was sure that if they had had presented to them the experiences of the past two years their recommendations would have been of a very much more far-reaching

character, for it must be obvious that the provisions of the Act that was subsequently passed did not go nearly far enough to protect shareholders in public companies. When one realised that one of the chief features of this Act was the provisions to prevent the public being victimised by share-hawkers, the extent to which it had been possible in other ways for the public to be exploited during the last two years seems almost unbelievable. He need only refer them to the long and rapidly growing list of companies formed less than a year or two ago, where large amounts of capital had been subscribed by the public, or their shares foisted on the public at enormous premiums, that are already in liquidation or moribund for lack of working capital. Cases had been numerous where shares had been allotted to the public on the faith of underwriting contracts which in many cases had proved to be absolutely worthless. A person who entered an underwriting contract which he had no possibility of fulfilling if called upon to do so was no better than one who obtains money by false pretences, but in the present state of the law there was no means of touching him except by making him bankrupt, which was no deterrent to this class of individual. In Mr. Morgan's opinion a revision of our Companies Acts was urgently necessary to meet the evils in connection with public companies, and especially their flotation, that had been so glaring during the last two years. A large part of the community had suffered heavy losses, and this had created a general lack of confidence which could not fail to have a serious effect on very many businesses. (Hear, hear.)

Mr. THOMAS KEENS, F.S.A.A., Past President of the Society of Incorporated Accountants and Auditors, submitting "The City and Trade of Leeds," acknowledged what he described as the all too generous compliments which Mr. Arthur Michael Samuel had paid to him. It was true that they found, when they were in the House of Commons, that there was a very wide field in which men whose politics were normally very different from one another could work together for the benefit of British industry, and he was inclined to think that they would only settle the vexed question of unemployment when the best brains of the country, independent of party, were brought into the common stock. The reputation of Leeds in local government was world-wide, particularly with regard to education from the primary school to the University. They congratulated them upon it, and especially on the new Universities having justified themselves. The old and the new had linked up with commerce and industry, and on their technical sides the reputation was world-wide.

The LORD MAYOR OF LEEDS (Mr. N. G. Morrison), responding, mentioned that there were one or two accountants in the City Council to-day. The Council and the Corporation wanted more, and he appealed to some of the young men present to take their part in the civic life of the city.

Mr. CHAS. W. BOYCE, F.C.A., President of the Leeds and District Society of Chartered Accountants, expressed the view that the trend of events in the business world during the past few years had been to bring accountants into closer touch with their solicitor friends. Perhaps the large extension of limited liability enterprises had something to do with it. Some few years ago there used to be a complaint that accountants and solicitors were rather trespassing upon one another's preserves, but he felt that that type of thing was practically non-existent now. He thought the accountant who attempted to do work which should normally be undertaken by a solicitor was making the greatest mistake in his life, and similarly, he thought, the solicitor would be the first to acknowledge that the preparation of accounts was not his strong point. There was only one branch of the law in which perhaps accountants claimed to have a rather wider knowledge than their solicitor friends, and that was of the law relating to income tax returns. He did not think there was any solicitor who begrudged them that work.

Mr. CLIFFORD BOWLING, President of the Leeds Law Society, replied.

Mr. H. E. CLEGG, Secretary of the Leeds Law Society, proposed "The Accountancy Profession."

Sir CHARLES WILSON, F.S.A.A., LL.D., Past President of the Society of Incorporated Accountants and Auditors and of the Yorkshire District Society of Incorporated Accountants, said that in spite of the war there was already an exceedingly close co-operation between German and French financial bodies, and he believed that one of their greatest competitors in the future would be Germany, both in finance and in industry. He did not want them to live in a fool's paradise with regard to that. He was not going to advise anyone to invest a single penny in Germany. Since the war we had repaid to German nationals practically all the money due to them, along with interest at 4 or 5 per cent. What had they done in return? One man in that city had nearly £20,000 invested in German securities, and when he applied for their return he was told that they had sold and resold the securities until no one could trace them. Eventually they said that, as the securities were practically valueless owing to the war, they could not be paid. Why did we not first pay out our own nationals? That was what he would have done if the matter had been put to him, but it was not. (Laughter.)

Mr. ALFRED WALTON, F.S.A.A., Past President of the Yorkshire District Society of Incorporated Accountants, submitted "Our Guests," to which Dr. TERRY THOMAS responded.

Society of Incorporated Accountants and Auditors.

Examinations, May, 1930.

The next examinations of the Society will be held on the following dates: Preliminary examination, May 5th and 6th, 1930; Intermediate examination, May 7th and 8th; Final examination, May 6th, 7th and 8th.

The Syllabus of the examinations is being reprinted in a new form and will be published early in the New Year. The list of publications recommended for study has been revised and brought up to date, but otherwise the substance of the Syllabus remains as for November, 1929. Notes are included in the Syllabus on the steps to be taken to qualify as an Incorporated Accountant.

PRELIMINARY EXAMINATION.

Conferences have recently been held between representatives of professional bodies and educational authorities with a view to formulating a common Syllabus in the subjects chosen for professional preliminary examinations. The subjects comprised in the Society's Preliminary examination will remain as hitherto, but the Examination Committee have approved a detailed Syllabus in each subject of the Preliminary examination on and after November, 1930. The new issue of the Examination syllabus will contain full particulars.

North-West Lancashire District Society of Incorporated Accountants.

ANNUAL DINNER.

The first annual dinner of the North-West Lancashire District Society of Incorporated Accountants and Auditors was held on December 2nd at the Park Hotel, Preston, Mr. J. FEARNHEAD, J.P. (President) in the chair. Among a large number of members and guests were:—The Mayor of Preston (Councillor W. Lucas), the Mayor of Chorley (Councillor E. Ashton), Mr. H. Morgan (President, the Society of Incorporated Accountants and Auditors), Mr. J. M. Worthington (Registrar of the Chancery of Lancashire), the Town Clerk of Preston (Mr. A. Howarth), Mr. J. R. W. Alexander (Parliamentary Secretary, Society of Incorporated Accountants and Auditors), Mr. R. W. Lynn (Clerk to the Commissioners of Income Tax, Preston), Mr. O. A. Goodier, J.P. (President, the Preston Law Society), Mr. J. Dewhurst (Secretary, the Preston Law Society), Mr. C. le M. Gosselin (Vice-Chairman, Preston and District Chamber of Commerce), Mr. J. W. G. Beaumont (Secretary, Preston and District Chamber of Commerce), Mr. R. F. Easterby (County Treasurer, Lancashire), Mr. A. E. Piggott (Honorary Secretary, Manchester District Society of Incorporated Accountants and Auditors), Mr. W. Bateson (Member of the Council, Society of Incorporated Accountants, and Borough Treasurer of Blackpool), Mr. W. Allison Davies, O.B.E. (Member of the Council, Society of Incorporated Accountants, and Borough Treasurer of Preston), Alderman J. Potter, J.P. (Past President of the North-West Lancashire District Society of Incorporated Accountants), Mr. J. H. Ward (Past President, North-West Lancashire District Society of Incorporated Accountants).

Mr. J. M. WORTHINGTON (Registrar of the Chancery of Lancashire), proposing the toast of "The Society of Incorporated Accountants and Auditors," said he did so not merely as one of their guests, but also as one who had had exceptional opportunities of observing the standards, professional, technical, and ethical, which they maintained in the practice of their profession. At the same time he approached the toast with some misgiving, agreeable as it was, because nothing was more difficult than the art of paying a compliment that was at once just and acceptable. He had the utmost difficulty in finding anything nice to say about accountants—(laughter)—that would not sound fulsome to those who were not accountants. Turning to the *Encyclopædia Britannica* to discover their pedigree, past performances and form at a glance, he gathered that they were fast becoming first favourites among the professions. Their pedigree he found was obscure but respectable. It was clear that they were not of Norman blood. They never moved, like some other professions, in the best circles of the Plantaganet. They were unknown to Mr. Shakespeare and Mr. Pickwick. Yet if Mr. Shakespeare were living to-day he might be constrained to re-write the "Merchant of Venice," and instead of making Shylock claim his pound of flesh, cause him to move the court at short notice to appoint accountants as receivers for Antonio's estate by way of execution. (Laughter.) If Mr. Shakespeare had done that he would have been guilty of no anachronism, because there was a Guild of Accountants in Venice 350 years ago, and from Venice it spread all over Italy, until ultimately in Milan the municipality actually prescribed a scale of professional charges. Accountancy was some little while taking root in this country, for it was clear, on unimpeachable evidence, that there were less than 100 accountants practising in the City of London 100 years ago. Since that date their number had grown very considerably. Although accountants were the Cinderella of the professions, they had been exceedingly fortunate in their choice of a fairy godmother, for they had chosen no less than the old Mother of Parliaments, who fed them on the rich and juicy manna of Companies Acts, Bankruptcy Acts, and Revenue Acts. (Laughter.) It would seem that the measure of her bounty was not yet exhausted, and she had, he was credibly informed, endowed them all with princely incomes. She had provided them, as befitting their station, with a town house which appeared to be a lordly mansion on the banks of Father Thames. He was quite sure they deserved their good fortune, for anyone who had had any experience of accountants must have been struck with their exceedingly industrious habits. No wonder their numbers had grown until now they had over 5,000 scattered over the face of the civilised globe. They were to-day not merely indispensable in the conduct of private affairs, but they also performed functions which were ever extending in connection with the Government itself. Whilst they assisted in the assessment of taxes, they might fairly claim that they assisted materially in producing those profits out of which taxes might properly be paid. It might well be that their profession could play a material part in restoring prosperity to manufacturers and merchants throughout the country. And their confidence that this might be so was increased by the knowledge that they were banded together in such a Society as their Parent Society to maintain, and even to elevate, the standards of usefulness and honour. It always seemed to him a very great pity that so great a profession should own a divided allegiance, and that they could not have joined forces to enforce their own high standards on all who professed and called themselves accountants. A pity, not from their own point of view, or in their own selfish interests, but because it was in the interests of the community that they should be able to discipline those who did not possess their virtues. (Applause.)

Mr. HENRY MORGAN (President of the Society of Incorporated Accountants and Auditors) in responding said: It gives me the greatest pleasure to attend the dinner of the North-West Lancashire Society in Preston. In my boyhood days Preston stood out as almost the most important town in the kingdom, but at that time its association in my mind was neither with commerce and industry nor with accountancy. Preston to me personally will hereafter be noteworthy by reason of the fact that this function is the first of its character which I have been privileged to attend in my capacity of President of the Society of Incorporated Accountants. To be the head of a great professional body represented by members practising in all parts of the world is a position which must arouse feelings of intense pride so far as the holder is concerned. It is therefore not surprising, and I am sure our visitors will pardon me, if my remarks to-night should be directed towards a matter of great importance to our Society and its members at the present time.

It is just over thirty years since I became an articled clerk to an Incorporated Accountant, and it gives me satisfaction and pride to reflect upon the great advance during that time which our Society has made in the establishment of the profession of accountancy. Thirty

years ago our Society and the Institute of Chartered Accountants were the only bodies of professional accountants in England and Wales. It is unnecessary for me to call attention in detail to the various steps by which the Society has progressed to the position it occupies to-day. The advance which we made, however, had the effect of causing various associations to spring up which professed to confer upon their members a professional status, the chief qualification in many cases being merely the ability and willingness to pay a fee of a guinea or two, a state of affairs which continues in some instances to this day. Attempts to utilise our designation of "Incorporated Accountant" culminated in the famous and oft-quoted judgment of Mr. Justice Warrington in 1907, which restricted it to the Society.

THE QUESTION OF STATUTORY CONTROL.

In those days, which now seem very far off, it was recognised by Sir James Martin and the Council, of which the names of many members have become household words in our Society, that it was vitally necessary in the interests of the accountancy profession that a Registration Act should be passed so as to ensure, firstly, that none but properly qualified persons should be allowed to hold themselves out as practising accountants, and secondly, that such persons should be subject to disciplinary control to ensure that their practices were carried on in accordance with professional standards. The earlier efforts of this Society proved futile, owing to its inability to come to agreement with the Institute of Chartered Accountants, with the result that still more of these outside bodies began to appear. In 1911, however, the Institute and Society collaborated in introducing a joint Bill for the registration and regulation of the profession, but, unfortunately, owing to pressure of Parliamentary business, this Bill, although substantially supported, did not get beyond a second reading. The war and its after effects greatly extended the responsibility, the work and the scope of activity of the professional accountant, and still more of these outside bodies have sprung up, and, in fact, are still being formed, creating in the minds of a large section of the public a state of confusion as to the standard of qualification and integrity of the numerous varieties of accountants. It is not accurate to say that there is no demand for registration. Our members throughout the country, and especially those who have more recently qualified, have for some time past been pointing out how seriously they are affected by the lack of regulation within the profession. The Society requires its members to adhere to professional standards in the carrying on of their practices, whereas the unqualified accountant, free from any disciplinary control, by means of his trade protection societies, income tax agencies, touting, advertising and other unprofessional methods, is able to secure a large part of the smaller business upon which a young qualified practitioner must rely for the establishment of a practice.

In view of the great development in the importance of the accountancy profession, the failure nearly twenty years ago to get a Registration Bill passed has been nothing short of a calamity, both from the point of view of the public and the profession alike. Ever since I became a member of the Council some ten years ago, the vital need for registration for the accountancy profession has been the subject of constant discussion and consideration by the Council of our Society, and voluntary resolutions and recommendations from various District Societies of Incorporated Accountants served to emphasise the urgency of the matter. The many difficulties in the way, however, of securing a satisfactory Bill prevented any active steps being taken until the early part of this year, when the Society reaffirmed its registration policy, and proceeded to consider the promotion of suitable legislation. A little later the Sessional Report to Parliament of the Local Legislation Committees of the House of Lords and the House of Commons contained a recommendation that, "having regard to the great importance of the profession of accountancy and auditing, this profession be placed on a unified basis similar to that of other learned professions by the incorporation of a representative body having control over the whole profession, and keeping a register in which should be inserted the names of all fully qualified members of the profession." It is no exaggeration to say that the recommendation is epoch-making in the history of the accountancy profession. Now at last the Institute of Chartered Accountants has entered the field, for I see that Sir William Plender, its distinguished President, said in the course of a speech delivered three weeks ago, that the subject of registration is far from being ignored by the Institute, and it is receiving serious consideration. It therefore comes about that the Society has made registration a live issue, and it has become the great problem to be solved by the accountancy profession in this country. It has been our great aim for some thirty years past, and the Society is entitled to claim credit as its progenitor. It must be recognised that the difficulties to be overcome are enormous, very materially greater, for reasons which must be obvious, than would have been the case twenty years ago. Whether the Act that we hope will be passed will give the profession the protection and the powers to which its ever-growing importance and its great responsibilities entitle it, and at the same time ensure to the public the safeguards which are so imperatively necessary, is all "on the lap of the gods."

In this successful function here in Preston this evening, honoured as it is by prominent representatives of the ancient civic life of Preston, by members of the great professions of law and medicine, and by the heads of great business organisations, we have sure evidence that the North-West Lancashire District Society of Incorporated Accountants is playing, and will continue to play its part in the move for the registration of the accountancy profession, and that it will impress on the minds of the general public the fact that the designation "Incorporated Accountant" implies membership of a Society whose standard of admission and of conduct are in no degree inferior to the standards of any body of accountants in existence. (Applause.) I thank you, Mr. Registrar Worthington, for the kind and appreciative manner in which you proposed the toast of "The Society," and you, gentlemen, for the cordial manner in which you received it. (Applause.)

Mr. W. BATESON (Borough Treasurer of Blackpool), proposing "Our Civic Governors," said that public officials looked upon themselves as a kind of marionette show. "The Mayor pulls the strings and we jump," he added, amidst laughter. Mr. Bateson said there were something like 250,000 persons at the present time engaged in the work of civic government, and it would be a very serious thing if they were all to declare a strike. As officials, however, they would not mind if there was a lock-out in the House of Commons and a moratorium was declared for three years in order to find out where they stood. (Laughter.) The country had been built up on the voluntary and self-sacrificing labour of their civic bodies and by men exercising the rights of citizenship with the high ideal of service, and with the aim of leaving the world better than they found it. He refuted the sug-

gestion occasionally heard that men took civic office for personal gain. All honour and glory to those who had made sacrifices for their town, and they should all be grateful for the voluntary work done throughout the country.

The MAYOR OF PRESTON (Councillor W. Lucas), responding, jocularly remarked that he was afraid Mr. Bateson's allusions to the Mayor pulling the strings did not apply to him. He always relied on his "boss," the Town Clerk, who would certainly see that the strings were not pulled in the wrong direction. Accountancy was a great profession, and one which, if he had to start again, he would seriously consider taking up.

The MAYOR OF CHORLEY (Councillor E. Ashton) said many schemes inspired with a desire to help the community came before them. They were schemes from the heart, but when the accountant was consulted he appealed from the heart to the head. The accountant had often to say that they were all very good schemes, but the authority could not afford them.

ALDERMAN JOHN POTTER, J.P. (Blackpool), proposing "Our Guests," said he felt very proud that night because he could claim to have had a part in the founding of the North-West Lancashire Society twenty years ago. He hoped that the Registration Bill would be put on the Statute Book and that it would prove satisfactory not only to their own organisation but to the public whom they served. They also owed a debt to those younger men serving their articles, whom it was their duty to protect. Until registration was achieved they could not regard the system as satisfactory, and it behoved them to do what they could to show the public that they were not unworthy of the trust reposed in them.

Mr. C. LE M. GOSSELIN, Vice-Chairman of the Preston Chamber of Commerce, responding in the absence, through illness, of Alderman Astley Bell, President, said he believed there were bright spots in the commercial outlook of the country. He was an optimist because he had not lost faith in the commonsense and wisdom of their race, and he was confident that by putting their shoulders to the wheel they would win through.

Mr. R. W. LYNN (Clerk to the Commissioners of Income Tax) said that one of the perquisites of the office he held was the opportunity it afforded of coming into contact with the good fellowship of Incorporated Accountants. It was true that no inspector or assessor had yet been sufficiently enterprising to include that perquisite in an assessment under Schedule E, but if, and when, the transaction they had taken part in that night came to the ears of the authorities there was no saying what might happen. The more he saw of Incorporated Accountants the better he liked them. Jocularly contrasting the difference between the accountant and the lawyer in presenting their clients' appeals against income tax assessments, Mr. Lynn said the lawyer might be a realist but the accountant was an artist, and an impressionist artist at that. When they had to decide against an accountant they did so with feelings of regret and sympathy, but when they had to decide against a lawyer they had no feelings of any kind. It was only another fact among the rest. (Laughter.)

Mr. J. R. W. ALEXANDER, M.A., LL.B., (Parliamentary Secretary to the Society of Incorporated Accountants and Auditors), said they relied upon the District Societies to no small extent. On the question of registration a stage of development had been reached that had not occurred before in the profession. Their profession would never be a profession in the full sense of the word until it was registered. It was often difficult to make people with big practices, especially those in the City of London, realise the difficulties of those in the provinces. He knew their difficulties, and the Society had to endeavour to overcome them. If they succeeded the profession would be placed on an entirely different level.

The CHAIRMAN (Mr. P. Fearnhead) urged them all to put their backs into the work and assist in making the District Society a great success.

Mr. J. WAREING, the Hon. Secretary of the Society, is to be congratulated on the excellent arrangements which made the event such an outstanding success.

South Wales & Monmouthshire District Society of Incorporated Accountants.

(Cardiff and District Students' Section.)

ANNUAL DINNER.

The fourth annual dinner of the Cardiff and District Students' Section was held at Cardiff on November 25th. Mr. IVOR DAVIES, A.S.A.A., occupied the chair, and the gathering included Mr. Percy H. Walker, F.S.A.A. (President of the District Society), and Mrs. Walker, Mr. John Allcock, F.S.A.A. (City Treasurer and Controller, Cardiff), and Mrs. Allcock, Mr. A. Blackburn (Hon. Secretary of the Newport Section), Mr. J. Alun Evans (Hon. Secretary, Cardiff and District Section) and Mrs. Evans, Mr. J. Pearson Griffiths, F.S.A.A., and Mrs. Griffiths, Mr. F. M. Forster, A.S.A.A. (Chairman of the Newport Students' Section), Mr. P. A. Hayes, F.S.A.A., Mr. W. J. Pallot, F.S.A.A. (Vice-President of the District Society), and Mrs. Pallot, Mr. E. E. Pearce, A.S.A.A., and Mrs. Pearce, Mr. W. I. Rodda, A.S.A.A., and Miss Rodda, Mr. J. D. Simpson, A.S.A.A. (Assistant Secretary of the District Society), and Mrs. Simpson, Mr. A. D. Thomas, A.S.A.A., and Mr. L. R. Williams, F.S.A.A.

The CHAIRMAN, in submitting the toast of "The South Wales and Monmouthshire District Society of Incorporated Accountants and Auditors," said that it had many duties to perform apart from its primary function of keeping closely in touch with the Parent Society, and of generally watching over and protecting the mutual interests of its members. It provided opportunities of intercourse by means of meetings of both educational and social character. It provided facilities for the reading of papers and the delivery of lectures, whilst it has also brought into being active Students' Sections. "In the course of our studies," he said, "we learn that a company is a separate legal entity, as distinct from its members, but that it can only act through the agency of natural persons. The inference I wish to draw is that, however imposing the title, or however complete and worthy the objects of a society, it can do nothing without the active co-operation of all its members. That this has not been lacking in the past is evident by the present status and strength of our District Society, which has seen a constant succession of worthy Presidents, of invaluable Secretaries, and of faithful members. To all of these we, as students, are deeply indebted and grateful. With such a good foundation already prepared, it now remains for the District Society not only to maintain the standard set, but to endeavour to improve and enlarge the scope of its activities.

"If looked upon from a wider aspect, the District Society really represents a unit in the financial structure of the country, and as such will only thrive if the services rendered by its members are beneficial to the community. Now whilst a considerable part of an accountant's practice consists of performing duties directly or indirectly rendered necessary by virtue of Acts of Parliament, and which can really be regarded as compulsory employment, I am convinced that lasting benefit to the profession and to the community accrues only when the services of accountants are to a greater degree sought for voluntarily. The development of such universal recognition of the accountant's worth is surely the aim of all members of the profession, and I feel sure that there is no society with this object more at heart than our own District Society. On behalf of the Students' Section I take this opportunity of acknowledging the many benefits we derive from the District Society, and of assuring them in return of our very sincere thanks and constant support.'

The toast was responded to by Mr. PERCY H. WALKER, F.S.A.A. (President of the District Society), and Mr. W. J. PALLOT, F.S.A.A. (Vice-President of the District Society). Mr. Walker mentioned the question of registration and the benefit that would accrue to student members when this became a reality. He mentioned that the Parent Society, as the father of the District Society, was in every way eager to help them, and he very much appreciated the honour of holding the office of President during the current year.

Mr. Pallot referred to the great success which had attended the Cardiff Students' Section, and hoped that all the members would take a keen interest and keep up the status of the accountancy profession.

The President then presented prizes to the following candidates in connection with the Prize Essay Scheme for the session 1928-29:—1st, Mr. L. J. Muller; 2nd, Mr. E. V. C. Nicholls. Prize for the best contribution to the discussion, Mr. R. R. Davies.

In the unavoidable absence, through illness, of the Vice-President (Mr. P. Griffiths), Mr. E. E. PEARCE submitted the toast of "The Visitors." He was very pleased to see among the company so many ex-Presidents of the District Society.

Mr. JOHN ALLCOCK and Mr. J. PEARSON GRIFFITHS responded to this toast, Mr. Allcock saying that no society could live without fresh blood supplied from time to time. In the case of the District Society, the fresh blood was represented by the student members, and he was glad to see so many present at the dinner.

Mr. Pearson Griffiths said that the District Society was very proud of the Students' Sections at Newport and Cardiff, and the excellent manner in which they were working gave every promise of a brilliant future for the District Society. Both Mr. Allcock and Mr. Pearson Griffiths thanked the students for the honour conferred upon them of being present as guests at such an enjoyable function.

The PRESIDENT referred to the appointment of a Welshman—Mr. Henry Morgan—to the high office of President of the Parent Society, and on his proposition, seconded by Mr. L. R. WILLIAMS, the Hon. Secretary was instructed to convey the hearty congratulations of those present to Mr. Morgan on his appointment.

A very successful evening was concluded with a dance.

SOCIETY OF CHARTERED ACCOUNTANTS OF THE PROVINCE OF QUEBEC.

Fiftieth Anniversary.

The fiftieth anniversary of the foundation of this body (which was formerly known as the Association of Accountants in Montreal) was celebrated by a dinner at the Windsor Hotel, Montreal, on December 5th last. The chair was taken by Mr. Alastair A. Gowan, C.A., President of the Society, who was supported by the Hon. A. R. McMaster, Treasurer for the Province of Quebec; a number of Mayors; Mr. Harvey E. Crowell (Halifax), President of the Dominion Association of Chartered Accountants; Mr. F. H. Hurdman (New York), President of the American Institute of Accountants (who also represented the New York State Society of Certified Public Accountants); Mr. S. G. H. Fitch (Boston), Vice-President of the American Institute; Mr. H. Percival Edwards (Toronto), President of the Ontario Institute of Chartered Accountants; Mr. John Hyde, F.S.A.A. (Montreal), Chairman of the Canadian Committee of Incorporated Accountants; Mr. A. F. C. Ross, F.S.A.A. (Montreal), Honorary Secretary of the Canadian Committee of Incorporated Accountants; Mr. C. E. Gravel, President of the Chamber of Commerce; Mr. G. S. McDonald, President of the Montreal Board of Trade; Mr. Georges Gonthier, Auditor-General for Canada; and Mr. Alexander F. Riddell, the senior member of the Quebec Society and its first secretary; Mr. S. R. Campbell, first Vice-President; Mr. G. S. Burden, second Vice-President; and Mr. Robert Wilson, Secretary-Treasurer of the Quebec Society.

Mr. Riddell, in replying to the toast of his health, referred to the history of the Quebec Society and to the early work of the accountancy profession in Canada. It was a source of pleasure to him to know that other similar bodies had obtained charters from the Legislatures in other Provinces of Canada, and he mentioned particularly the Institute of Chartered Accountants of Ontario, founded in 1883, of whom Mr. E. R. C. Clarkson, F.S.A.A. (Toronto), was the only surviving foundation member.

The toast of "The Society of Chartered Accountants of the Province of Quebec" was proposed by the Hon. A. R. McMaster, to which a response was given by Mr. Alastair A. Gowan. In the course of his reply Mr. Gowan mentioned the valuable work carried out by the Provincial Governments in relation to the accountancy profession in the Dominion of Canada. The toast of "Sister Societies" was proposed by Mr. J. Hutchinson, and responses were given by Mr. Harvey Crowell, Mr. F. H. Hurdman, Mr. H. Percival Edwards, and Mr. A. F. C. Ross. Mr. A. F. C. Ross, on behalf of the Society of Incorporated Accountants and Auditors, read a resolution of congratulation passed by the Council held in November, 1929, and published in the December issue of the *Incorporated Accountants' Journal.*

Brigadier-General J. G. Ross, C.M.G., proposed the toast of "The Founders," and at the conclusion of his speech he presented, on behalf of the members of the Quebec Society, a large loving-cup to Mr. Alexander Riddell to mark Mr. Riddell's association with the Quebec Society for a period of 50 years and as a token of the affection and esteem of his fellow members.

Mr. John Hyde (Montreal) was entrusted with the toast of "The Guests," among whom he mentioned their Civic Governors, the Professors of the School of Commerce at McGill University, the Dean of Commercial Studies of the University of Montreal, and representatives of the legal profession and bankers.

The Society of Incorporated Accountants and Auditors.

RESULTS OF EXAMINATIONS, NOVEMBER, 1929.

Passed in Final.

Order of Merit.

DOYLE, ANDREW JAMES, H.M. Inspector of Taxes, Alnwick District, Bondgate Within, Alnwick, Northumberland. (*First Certificate of Merit and First Prize.*)

HALLAM, HERBERT FREDERICK, Clerk to N. E. Lamb (Alban & Lamb), Central Chambers, Newport, Mon. (*Second Certificate of Merit and Second Prize.*)

Alphabetical Order.

ABRAHAM, CHERUVELIL IDICULAY, B.Sc., Clerk to G. Basu, Salisbury House, 3-1, Bankshall Street, Calcutta, India.

ALDER, WILFRED REGINALD ERNEST, City Treasurer's Department, Guildhall, Gloucester.

ATKINSON, WILLIAM WILKINSON, Clerk to Thomas Rodger, Percy Chambers, 29, Grainger Street West, Newcastle-on-Tyne.

BANKS, EDWIN MALCOLM, Clerk to J. T. Davidson (Davidson & Verity), West Bar Chambers, 38, Boar Lane, Leeds.

BARTER, FRANK, Clerk to A. Daniels, Bank House, 63, Osborne Road, Southsea, Hants.

BASKIN, RONALD STEWART, Clerk to A. H. Walkey (Cooper & Kenny), 34, Dame Street, Dublin.

BASS, PHILIP STANLEY, Clerk to W. Campbell Watson (W. Campbell Watson & Co.), 70, Scottish Temperance Building, Donegall Square South, Belfast.

BATES, MARTIN FREDERICK, Borough Treasurer's Office, Swansea.

BEDDY, THOMAS ROBERT, Clerk to Cooper & Kenny, 34, Dame Street, Dublin.

BEESON, WILLIAM ANDERSON, Clerk to Carter, Clay & Lintott, 1-2, Queen Street, Cheapside, London, E.C.4.

BELL, HENRY JOHN, Clerk to A. H. Hughes (Hughes & Allen), King's House, 36, King Street, Cheapside, London, E.C. 2.

BORRIES, CHRISTIAN, County Accountant's Office, County Hall, Lewes, Sussex.

BROWN, JOHN KENNETH, Clerk to C. P. Barrowcliff & Co., 55-57, Albert Road, Middlesbrough.

BROWN, NORMAN MARCUS, Clerk to Slater, Chapman & Co., Viaduct Chambers, 38, Holborn Viaduct, E.C.1.

BUMFORD, PRYCE HENRY, Clerk to J. Wallace Williams & Co., 5, St. Andrew's Crescent, Cardiff.

BURDEN, EWART WILLIAM, Clerk to Arthur Daniels, Bank House, 63, Osborne Road, Southsea.

CHADBORN, HEDLEY JOSEPH BOURNE, Clerk to F. W. E. King (Francis F. King & Son), 143, High Holborn, London, W.C.1.

CHRISTOPHER, JAMES WILLIAM ROBERT, Clerk to J. P. Clarkson (Clarkson & Rumble), 16, Devonshire Square, London, E.C.2.

COWAN, IAN MALCOLM, Borough Treasurer's Department, Town Hall, Wolverhampton.

CROOKS, NEVILLE, Clerk to Shirley, March & Co., Granby Chambers, Halford Street, Leicester.

DALE, ARNOLD, Clerk to Goldie, Campbell & Robins, Bank Chambers, Lowgate, Hull.

DAVER, NAUSHIRWAN BURJORJI, Clerk to Batliboi & Purohit, Yusuf Buildings, Churchgate Street, Fort, Bombay.

DAVIES, KATE, Public Trustee Office, Kingsway, London, W.C.2.

DAY, ARTHUR, Clerk to R. A. Corner (Rd. Corner & Jones), Wellington Buildings, Strand, Liverpool.

DORNAN, JOSEPH, Clerk to Muir & Addy, 7, Donegall Square West, Belfast.

DRAPER, NORMAN MITCHELL, Clerk to John Draper, 67-69, Swan Arcade, Bradford.

DUBASH, SOLEE FRAMROZE, B.Sc., Clerk to S. B. Billimoria & Co., 113, Esplanade Road, Fort, Bombay.

ELLIS, JOHN, Clerk to Harold Foulston, 55, Foster's Buildings, High Street, Sheffield.

FISHER, HERBERT, Clerk to C. E. C. Nicholls, Avenue House, The Avenue, Eastbourne.

FOGGO, ARTHUR RICHARD, Clerk to W. D. Beatton (Beatton, Hewson & Co.), 127-130, Moorgate Station Chambers, Moorfields, London, E.C.2.

FOWLER, FRED DENIS, Clerk to Frank Haynes (Frank Haynes & Co.), The Hollins, New Street, Leicester.

FRANCIS, THOMAS GRAHAM, Clerk to Ashworth, Mosley & Co., 104, King Street, Manchester.

FRANKLIN, ARTHUR ERNEST, Clerk to A. F. Kimpton (Kimpton, Holland & Co.), Tredegar Chambers, Bridge Street, Newport, Mon.

FRASER, JAMES WATT, Clerk to N. H. Walton (Laverick, Walton & Co.), Midland Bank Chambers, Sunderland.

GAMBLES, GORDON JULIAN LESLIE, Clerk to Wyer & Chivers, 10, The Traverse, Bury St. Edmunds.

GREEN, KATHLEEN MARY CLIFFORD, Clerk to Wm. Paynter (Spence, Paynter & Morris), 6, Wardrobe Place, Doctors' Commons, London, E.C.4.

GRUBB, CYRIL BERTIE, Clerk to Arthur E. Green & Co., 100-106, Moorgate Station Chambers, London, E.C.2.

GUY, HAROLD CLAVERING, Clerk to T. Harold Major, 4, Royal Arcade, Newcastle-on-Tyne.

HAIR, JOHN WILLIAM, Clerk to Henry Abey (Henry Chapman, Son & Co.), Barrington Street, South Shields.

HARRISON, DONALD NORMAN, Clerk to H. P. Gould & Son, 8, Upper King Street, Norwich.

HECQUET, WILLIAM THOMAS MORAN, Clerk to B. L. Clarke-Lens (Clarke-Lens & Clarke-Lens), 76, Newgate Street, London, E.C.1.

HILL, ALBERT, Clerk to Bertram Silcock & Co., Bold Street Chambers, 31, Bold Street, Warrington.

HODGKISS, JOHNSON BENNETT, Clerk to Miles Taylor, Pickles & Co., 41A, Victoria Buildings, Manchester.

HONEYBONE, RICHARD MILES, Clerk to Chas. W. Rooke & Co., 2, Norfolk Street, Strand, London, W.C.2.

HORROCKS, HARRY, Clerk to Tudor Davies, Wyndham House, Wyndham Street, Bridgend, Glamorgan.

HUNT, GEORGE WILLIAM, Clerk to Angus Scott & Co., 81, Cannon Street, London, E.C.4.

JONES, ARTHUR JEREMY, Clerk to L. N. Vizard (Lewis Vizard & Son), 2, Clarence Parade, Cheltenham.

JONES, GEORGE CLIFFORD, Clerk to A. J. Benjafield (Davis & Benjafield), 30, Chamberlain Street, Wells, Somerset.

JONES, KENNETH FRANCIS, Clerk to Clench, Hewitt & Co., Hastings House, 10, Norfolk Street, Strand, London, W.C.2.

JONES, WILLIAM ANGUS, O.B.E., City Treasurer's Office, The Council House, Bristol.

KINSLEY, WALTER ALFRED, Clerk to E. T. Southworth (Arthur E. Piggott, Son & Southworth), 37, York Street, Manchester.

FINAL—(*Continued.*)

KINSMAN, RONALD DESMOND LEWIS, Clerk to Cassleton Elliott & Co., 4-6, Throgmorton Avenue, London, E.C.2.

KNIGHT, FRANK WILLIAM, Clerk to Henry Lawrence, Midland Chambers, 5, Gallowtree Gate, Leicester.

KYRKE, ARNOLD GEORGE, Clerk to M. B. Crompton, 10, Warwick Row, Coventry.

LANGMAID, ALAN GORDON RICHARD, Clerk to N. E. Lamb (Alban & Lamb), Central Chambers, Newport, Mon.

LIVINGSTONE, HARRY, Accountant's Department, Easington Rural District Council, Easington, Co. Durham.

MCMICHAEL, DONALD, Clerk to A. France (A. France & Co.), West Bar Chambers, Boar Lane, Leeds.

MANN, HORACE, Clerk to Armitage & Norton, Martins Bank Chambers, Bradford.

MASON, JOHN HERBERT, Clerk to Basil Frederick Newill, National Chambers, Horsefair Street, Leicester.

MAYHEW, ALFRED LAUGHTON, Clerk to John H. Gent, Sutton Coldfield, near Birmingham.

METCALFE, LESLIE, Clerk to Massey & Ellison, 46, Cherry Street, Birmingham.

MORRIS, GLYN, Clerk to Tribe, Clarke, Cawker, Owen & Co., 56, Wind Street, Swansea.

MOWFORTH, GEORGE MCKEE, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.

NEWELL, ERNEST, Clerk to F. W. T. Mills (Glover & Co.), Stanhope House, Park Lane, London, W.1.

NORTON, RICHARD WILLIAM, Clerk to Edward Myers & Clark, Trafalgar Buildings, Northumberland Avenue, London, W.C.2.

ODELL, FRANK WILLIAM, Clerk to G. W. Odell, 25-26, Lime Street, London, E.C.3.

O'SULLIVAN, TERENCE, Clerk to W. B. Keen & Co., 23, Queen Victoria Street, London, E.C.4.

PAGE, REINALLT EDWIN JOHN, Clerk to Horsley & Co., Craven House, Kingsway, London, W.C.2.

PARELWALLA, HIRAJI JAMSHEDJI, Clerk to S. B. Billimoria & Co., 113, Esplanade Road, Fort, Bombay.

PARKER, REGINALD JOHN, Clerk to J. Earle Hodges, Wright, Judd & Co., Ridgway House, 41-2, King William Street, London, E.C.4.

PARKER, TERENCE NORRINGTON, Clerk to R. G. Sidford, Cecil Chambers, 76, Strand, London, W.C.2.

PARKIN, RALPH ERIC JOHN, Clerk to A. E. Evershed (A. S. & A. E. Evershed), 51, High Street, Guildford.

PATEL, JEHANGIR HORMUSJI, 70, Medows Street, Fort, Bombay, Practising Accountant.

RABY, EDWARD WALTER, Deputy Borough Treasurer, Town Hall, Lytham St. Annes.

ROBSON, ROY PATERSON, Clerk to F. Holliday (Fredk. & C. S. Holliday), Pearl Chambers, East Parade, Leeds.

RUKIN, ERNEST, Clerk to E. V. Williamson, Wilson's Chambers, 7, Greek Street, Leeds.

RYE, CHARLES GEORGE, Clerk to R. G. Acock (Martin & Acock), 69, London Street, Norwich.

SALTER, ALBERT, Clerk to Alban & Lamb, Central Chambers, Newport, Mon.

SANDERS, ARTHUR EDWIN, Clerk to Louis, Nicholas & Co., 19, Castle Street, Liverpool.

SANDERS, FRED, City Treasurer's Office, Town Hall, Salford.

SASTRI, CHAVALI SUBRAHMANYA, B.A., Clerk to Dalal & Shah, 70, Medows Street, Fort, Bombay.

SEABORNE, REGINALD EDWARD, Clerk to S. Grave Morris (Spence, Paynter & Morris), 6, Wardrobe Place, Doctors' Commons, London, E.C.4.

SMITH, ABRAM WILKES, Borough Treasurer's Office, New Square, Chesterfield.

STAKES, RONALD, Clerk to W. D. Burlinson & Co., Union Bank Chambers, Batley.

STAPLES, LANCELOT, Clerk to Wykes & Co., 24, Friar Lane, Leicester.

STEVENSON, ERIC DALTON, Clerk to Herbert E. Harwood, 73-75, Albion Street, Leeds.

STRETTON, GEOFFREY SYDNEY ARTHUR, Clerk to R. M. Branson (Thomas May & Co.), Allen House, Newarke Street, Leicester.

SYKES, FRANK, Clerk to C. Claridge (W. Claridge & Co.), 53, Well Street, Bradford.

THACKRAY, WILFRED CECIL, Clerk to Fredk. & C. S. Holliday, Pearl Chambers, East Parade, Leeds.

TODD, HENRY CHARLES, Clerk to W. G. Kay & Co., 27, Southampton Street, Strand, London, W.C.2.

TOPHAM, ROBERT LUPTON, Clerk to Wm. Robertshaw & Myers, Barclays Bank Chambers, North Street, Keighley.

TOWNSEND, SIDNEY (Lewis, Goodwin & Townsend), 64, Cheshire Street, Market Drayton, Practising Accountant.

TRANTER, WILLIAM NEVILLE, Clerk to W. Johnstone (Johnstone, Davies & Moulder), 13, Church Street, Kidderminster.

TRAVIS, THOMAS, Clerk to Alfred Plant, Abbey House, 2, Victoria Street, London, S.W.1.

TUFFIN, LESLIE, Clerk to William C. Westlake, 22, Portland Street, Southampton.

TWIGG, JOHN AMOS, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.

VARNEY, REGINALD, Clerk to Nutt & Horne, St. James' Chambers, Derby.

WARD, WILLIAM WALLIS, Clerk to Turquand, Youngs & Co., 19, Coleman Street, London, E.C.2.

WARLAND, EDWARD GRAHAM, Clerk to Painter, Mayne & Walker, 103, Cannon Street, London, E.C.4.

WASS, FRANK, Clerk to Fletcher Hibbert, Lancaster House, Doncaster.

WHEELER, REGINALD LESLIE, Clerk to W. H. Fox (Kilby & Fox), Drury Chambers, Market Square, Northampton.

WHITE, WILFRED HENTON, Borough Treasurer's Department, Corporation Offices, Church Street, Folkestone.

WHITING, HAROLD ARTHUR, Clerk to Edward Blinkhorn (Edward Blinkhorn, Lyon & Co.), Bank Chambers, 69, Leadenhall Street, London, E.C.3.

WINTERBURN, ARCHIBALD GEORGE HENRY, Clerk to F. Mahon (F. J. Clarke & Co.), Oriental Chambers, Doncaster.

WOOD, ALAN, Clerk to H. Lomax (H. Lomax & Co.), 83, Bridge Street, Manchester.

SUMMARY :—

2	*Candidates awarded Honours.*
105	*Candidates passed.*
137	*Candidates failed.*
244	Total.

Passed in Intermediate.

Order of Merit.

FILBY, HERBERT EDWARD, Clerk to Harold Carter, Son & Co., 6-7, Queen Street, London, E.C.4. (*First Place Certificate. Disqualified for Prize by age limit.*)

CASBOURN, FREDERICK HENRY CHARLES, Clerk to White & Pawley, 6, Sussex Terrace, Princess Square, Plymouth. (*Second Place Certificate and First Prize.*)

WEBB, EDWARD GEORGE NEWNAM, Clerk to Burnett, Burnett & Swayne, 2, High Street, Southampton. (*Third Place Certificate.*)

THOMPSON, WILLIAM DANIEL, Clerk to John W. Rowley, 10, Market Street, Leicester. (*Fourth Place Certificate.*)

SHAH, RAMANLAL BHOGILAL (B.Com.), Clerk to Dalal & Shah, 70, Medows Street, Fort, Bombay. (*Fifth Place Certificate.*)

Alphabetical Order.

AHEARN, JOHN WILLIAM, Clerk to Homfray Ogle (Newman Ogle, Ashworth & Bevan), Spencer House, 2, South Place, London, E.C.2.

ALLEN, KENNETH ERNEST WILLIAM, Clerk to H. Harper Smith (Harper Smiths), 30, London Street, Norwich.

ANDREWS, ERNEST PETER, Clerk to W. J. Dean (Dean & Son), 4, Market Square, Stafford.

APPLEBY, OSBORNE, Clerk to Harrison, West, Ledsam & Co., 14, Waterloo Street, Birmingham.

ARDILL, WILLIAM HENRY, Clerk to A. H. Muir (Muir & Addy), 7, Donegall Square West, Belfast.

BAINES, CHARLES KENNETH, County Treasurer's Department, Lancashire County Council, County Offices, Preston.

BARBER, EDWARD CECIL, Clerk to A. Houghton (Crane, Houghton & Crane), 30A-31, St. Paul's Churchyard, London, E.C.4.

BARKER, STANLEY, Clerk to A. S. Lewis (W. S. Lewis & Sons), 3, King Street, Rochdale.

BAULF, WALTER JOHN, Clerk to H. G. Clarke (Muir, Moody & Co.), 20, Newgate Street, London, E.C.1.

BEARD, HERBERT SIDNEY WEBSTER, Temple Chambers, Frodsham Street, Chester, Practising Accountant.

BELCHER, REGINALD ARTHUR, Clerk to O. A. Watson (Watson & Tebbet), 24, Corridor Chambers, Leicester.

BENNETT, REGINALD EDWARD, Clerk to W. Saunders (Saunders, Daffarn & Saunders), Gresham College, Basinghall Street, London, E.C.2.

BHAYA, PRIBHDASS HASSANAND, B.A., Clerk to J. M. Fellows (Fellows, Crabb & Co.), 30, Museum Street, London, E.C.1.

BISS, RICHARD WILLIAM HENRY, Borough Treasurer's Department, Municipal Chambers, Corn Street, Newport, Mon.

BLYTH, JOHN SAMUEL, Clerk to Hoale, Smith & Field, 4, Broad Street Place, London, E.C.2.

BODY, HARVEY GARTRELL, Borough Treasurer's Department, Town Hall, Kensington, London, W.8.

BRADLEY, GEORGE, City Treasurer's Department, The Council House, Bristol.

BRADLEY, JOHN FREDERICK FREEMAN, Clerk to A. E. Haynes (Barnes Bryant, Haynes & Co.), 41, St. James's Place, St. James's Street, London, S.W.1.

BROWN, EDWARD JOSEPH CRICHTON, Clerk to E. J. Waldron (Woolley & Waldron), 6, Portland Street, Southampton.

BROWN, JOHN KENNETH, Clerk to C. C. Saxton (Saxton, Shaw & Co.), Bank Chambers, Eldon Street, Barnsley.

BROWNE, DONALD FRANK EDWARD, Clerk to Barton, Mayhew, & Co., Alderman's House, Bishopsgate, London, E.C.2.

BRYAN, HERBERT WILLIAM RIDLEY, Clerk to A. F. Sharp (Hilton, Sharp & Clarke), 14, Gray's Inn Square, London, W.C.1.

BUNCE, DOUGLAS EVAN, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.

BURTON, JOHN VERNON, Clerk to Herbert Holmes, 45, Ropergate, Pontefract, Yorkshire.

CANN, JACK, Clerk to S. Larkin, City Treasurer, Council House, Coventry.

CARTER, HORACE CHARLES, Clerk to Mann, Judd, Gordon & Co., 8, Frederick's Place, Old Jewry, London, E.C.2.

CASSELL, WILLIAM HENRY, Clerk to R. S. Dawson & Co., 11, Cheapside, Bradford.

CAWTHRON, CYRIL HALSTEAD, Clerk to T. Millward-Fish (E. Broadbent, Fish & Co.), 1-4, Clarence Arcade Chambers, Stamford Street, Ashton-under-Lyne.

CHALMERS, JOHN LESLIE, Clerk to Ware, Ward & Co, 4, Fleet Street, Torquay.

CHUBB, JAMES LEWIS, Clerk to C. H. Bennett (Myring & Bennett), 741-3, Salisbury House, London, E.C.2.

CLAPHAM, HUBERT GARFIELD, City Treasurer's Department, Town Hall, Bradford.

CLARK, WILLIAM FRANK CATTERALL, Clerk to W. H. Rowland (Hamilton & Rowland), 8, High Street, Southampton.

COLE, LEONARD ALFRED, Clerk to Black, Geoghegan & Till, Orient House, 21, Budge Row, London, E.C.4.

COLLIER, GEORGE METCALFE, Finance Department, County Hall, Kingston-on-Thames.

CONSTANCE, WILLIAM THEO, Clerk to C. F. Rumble (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2.

COWIE, MERVYN HUGH, Clerk to A. Hornby (Dunn, Hornby & Co.), Royal Exchange Building, Nairobi, Kenya.

COWZER, EDWARD GAULT, Clerk to E. J. Dowdall & Shaw, 5, Donegall Square South, Belfast.

CROSS, ALEXANDER GASKIN, Clerk to Peat, Marwick, Mitchell & Co., Milton Chambers, Milton Street, Nottingham.

CROWTHER, PHILIP BRAITHWAITE, Clerk to F. S. Kilby, 1, Park Street, Brighouse.

CULVERWELL, GEOFFREY ARTHUR, Clerk to D. Sirkin (Baker & Co.), 42, Silver Street, Leicester.

DANDO, REGINALD JOHN, Clerk to Hinton, Jenkins & Co., 71, Bridge Street, Newport, Mon.

DAVIES, EDWIN GEORGE, Borough Treasurer's Department, Council House, Sutton Coldfield, near Birmingham.

DAWKINS, FREDERICK JAMES, Clerk to A. A. Henley (Albert A. Henley & Co.), Portland House, 73, Basinghall Street, London, E.C.2.

DAYSH, JACK THEODORE, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.

DENT, SYDNEY, Clerk to Ford & Rimington, 59, Wellington Road South, Stockport.

DINAN, WILLIAM PATRICK, Clerk to S. Larkin, City Treasurer, Council House, Coventry.

DIXON, NORRIS HEPWORTH, Clerk to Bowker, Stevens & Co, Queen's College, Birmingham.

DORNAN, ROBERT JAMES, Clerk to H. B. Brandon & Co., 7, Donegall Square West, Belfast.

DOUGAN, JOHN ROBERT LESLIE, Clerk to John Howard Wilson, Castle Street, Londonderry.

DOWRICK, GABRIEL MARSHALL, Clerk to E. C. Cooper (Cooper & Norfolk), 8, East Stockwell Street, Colchester.

INTERMEDIATE—(*Continued.*)

DUKE, WILLIAM JAMES, Clerk to Futcher, Head, Ernest Smith & Co., 110, Cannon Street, London, E.C.4.

DYSON, GEOFFREY, Clerk to W. A. Turner (W. A. Turner & Co.), 21, Bridge Street, Bradford.

ELLIOTT, HENRY ROBERT, Clerk to Carpenter, Box & Co., Liverpool Chambers, Worthing.

ELLIS, JOHN, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.

EVANS, WALTER, Clerk to E. R. Bradley, 584, Christchurch Road, Boscombe, Bournemouth.

FARROW, ARTHUR, Clerk to Alfred Walton (John Gordon & Co.), 7, Bond Place, Leeds.

FEAVER, LESLIE EDWARD, Clerk to Everett & Son, 78, Old Broad Street, London, E.C.2.

FISHER, ERIC WILFRED, Clerk to E. D. Edwards, Somerset Chambers, 151, Strand, London, W.C.2.

FLAY, JOHN CHARLES, Clerk to E. H. B. Butler, Midland Bank Chambers, 7, Broad Street, Worcester.

FLEMING, WILLIAM JOHN THOMAS, Clerk to Whinney, Smith & Whinney, 4B, Frederick's Place, Old Jewry, London, E.C.2.

FOGGO, EDWARD GEORGE, Clerk to F. W. Stephens & Co., Liverpool House, 15-17, Eldon Street, London, E.C.2.

FORSTER, THOMAS CYRIL, Clerk to Godfrey Craven (Forster & Craven), 42, Deansgate, Manchester.

FURNEAUX, LESLIE WILLIAM, Clerk to Weeks, Hillyard & Co., Weaver's Hall, 22, Basinghall Street, London, E.C.2.

GHOSH, SIDDHARTHA KUMAR, B.Sc., Clerk to S. R. Batliboi & Co., 9, Grant Lane, Calcutta, India.

GLENDENNING, RAYMOND CARL, B.Com., Clerk to R. Wilson Bartlett (Walter Hunter, Bartlett & Co.), 24, Bridge Street, Newport, Mon.

GORDON, HARVEY, Clerk to Arthur Hallett (Arthur Hallett, Harrison & Co.), Studio Buildings, Regent Street, Wrexham.

GOULDER, GEORGE EDWARD, Clerk to Sidney Dudbridge (S. J. Dudbridge & Sons), 8, Lansdown, Stroud, Glos.

GREENING, RONALD CHARLES, Clerk to L. E. B. Jacob (Jacob & Haynes), 146A, Queen Victoria Street, London, E.C.4.

GREENWOOD, JOHN, Borough Treasurer's Department, Municipal Offices, Todmorden.

GRIFFITHS, ALBERT EDWARD, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Bloomfield Street, London, E.C. 2.

HAGUE, WALTER FREDERICK, Clerk to Bourner, Bullock, Andrew & Co., Bush Lane House, Cannon Street, London, E.C.4.

HALL, THOMAS HENRY, Clerk to F. Allen (Rawlinson, Allen & White), 1, Church Place, Portadown.

HARDING, ERNEST HAROLD CARSLEY, Clerk to Mann, Judd, Gordon & Co., 8, Frederick's Place, Old Jewry, London, E.C.2.

HARRINGTON, KENNETH PROBERT, Clerk to W. A. Shepherd, 50, Tredegar Street, Risca, Mon.

HAWKINS, LESLIE WILLIAM, Clerk to Layton-Bennett, Chiene & Tait, 3, London Wall Buildings, London, E.C.2.

HAWLEY, GORDON, Clerk to John M. Ellworthy (John M. Ellworthy & Co.), 13, Sherborne Lane, London, E.C.4.

HAYES, LEONARD JOHN, Clerk to Reginald L. Tayler (Reginald L Tayler & Co.), Coventry House, South Place, London, E.C.2.

HEATH, RICHARD EDWARD, Clerk to Reginald L. Tayler (Reginald L. Tayler & Co), Coventry House, South Place, London, E.C.2.

HEATHERILL, JOHN RICHARD, Clerk to Huie & Ramage, 21, Rutland Square, Edinburgh.

HILL, EDGAR GEORGE, Clerk to W. M. Bayliss (W. M. Bayliss, Sons & Co.), 16, Broad Street, Oxford.

HILL, JOSEPH NORMAN HOLLINS, Treasurer's Department, County Council, West Riding of Yorkshire, County Hall, Wakefield.

HILLS, HAROLD STANLEY, Clerk to Saffrey, Sons & Co., 14, Old Jewry Chambers, London, E.C.2.

HINER, JAMES SAMUEL, Clerk to P. C. Miall (Martin, Farlow & Co.), 34-36, Gresham Street, Bank, London, E.C.2.

HODGES, JOHN SYDNEY, Accountant to the Ashton-in-Makerfield Urban District Council, Council Offices, Bryn Street, Ashton-in-Makerfield.

HOLMES, REGINALD WILLIAM DAVID, Clerk to J. W. Allen (Hughes & Allen), King's House, Cheapside, London, E.C.2.

HOLSTEAD, ERNEST, Clerk to H. Holmes, 45, Ropergate, Pontefract.

HUMPHREY, WILLIAM CURTIS, Clerk to Jones, Robathan, Thompson & Co., Princes Chambers, Newport, Mon.

INGOLD, BERTRAM FREDERICK, Clerk to Baker & Co., 42, Silver Street, Leicester.

INNES, GEOFFREY ELLIS, Clerk to A. J. Ingram (Metcalf, McKenzie & Ingram), 32, West Sunniside, Sunderland.

JONES, GEORGE BARRETT, Clerk to Sidney H. Buckland & Son, Moorgate House, 38, Belle Vue Street, Swansea.

KEARSLEY, ALEXANDER WILLIAM, Clerk to D. F. Middlemiss (Woodington, Bubb & Co.), 5, Philpot Lane, London, E.C.3.

KEBBELL, CECIL LESLIE, Clerk to W. C. Tuke, Walbrook Chambers, 38, Walbrook, London, E.C.4.

KEE, DOROTHY CAMPBELL, Clerk to H. E. Kneale (R. G. Shannon), 1, Athol Street, Douglas, Isle-of-Man.

KENT, WILLIAM HEDLEY, Clerk to Reddall, Osborne & Co., 1, Guildford Chambers, Basinghall Street, London, E.C.2.

KNOTT, TOM, Clerk to H. B. Leah, 9, Warren Street, Stockport.

LANE, EDWARD GEORGE, Clerk to R. B. K. Leys (Stephenson, Smart & Co.), 28, St. Thomas' Street, Weymouth.

LAURENCE, FREDERICK VICTOR, Clerk to Davie, Parsons & Co., 6, Bishopsgate, London, E.C.2.

LEAH, GEORGE EDWARD, Clerk to Horace B. Leah, 9, Warren Street, Stockport.

LEE, CHARLES WILLIAM LANCASTER (W. Lancaster Lee & Co.), 70, Harold Road, Cliftonville, Margate, Practising Accountant.

LESLIE, JOHN FALLOWS, Clerk to J. Paterson Brodie & Son, 1, Hoghton Street, Southport.

LEWIS, HARRY GREGORY PETTIT, Clerk to Carter, Clay & Lintott, The Broadway, Woking, Surrey.

LITHGOW, JAMES, Junr., Clerk to C. Percy Barrowcliff (C. Percy Barrowcliff & Co.), 57, Albert Road, Middlesbrough.

LITTLE, ROBERT DOUGLAS, Clerk to H. Moulder (Johnstone, Davies & Moulder), 13, Church Street, Kidderminster.

LITTLEHAILES, JOHN, Clerk to N. H. Walton (Laverick, Walton & Co.), Midland Bank Chambers, Sunderland.

LOCKETT, THOMAS LEESON, Accountant's Department, Rugby Urban District Council, Benn Buildings, Rugby.

MCCANN, ROBERT, Clerk to A. H. Muir (Muir & Addy), 7, Donegall Square West, Belfast.

INTERMEDIATE—(*Continued.*)

MCMATH, WILLIAM, Clerk to Harmood Banner & Son, 24, North John Street, Liverpool.

MCMILLAN, DAVID DUNCAN, Clerk to H. Potts (Clayton & Potts), 4, South Parade, Leeds.

MARSHALL, ARTHUR RAIT ARBUTHNOTT, Clerk to James Condie, 3, East Port, Dunfermline.

MARSHALL, TOM, Clerk to W. G. Lithgow, 429A, Lord Street, Southport.

MARTIN, RICHARD HENRY, Clerk to L. N. Vizard (Lewis, Vizard & Son), 2, Clarence Parade, Cheltenham.

MAYES, GILBERT MORRIS, Clerk to J. P. Clarkson (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2.

MILBURN, THOMAS STANLEY, Clerk to Bowman Pettifor, 71, Howard Street, North Shields.

MOISSON, PHILIP WILLIAM, Clerk to C. H. Mears, 37, Walbrook, Mansion House, London, E.C.4.

MOORE, WILLIAM STUART, Clerk to C. A. Meares (C. A. Mears & Co.), 4, Donegall Square South, Belfast.

MORGAN, CHARLES WILLIAM, Clerk to A. E. Wood (Thompson & Wood), 22, Broad Street, Hereford.

MORLEY, HENRY ALBERT, Clerk to Stanley Blythen (Stanley Blythen & Co.), Low Pavement, Nottingham.

MORRELL, RONALD, Clerk to Carlill, Burkinshaw & Ferguson, 2, Parliament Street, Hull.

NOAKES, CECIL, Clerk to C. W. Legge (Clinch & Legge), "Hurdis House," Broad Street, Seaford, Sussex.

OWEN, EWART LLOYD, Clerk to Fred Kilby (Kilby & Fox), Drury Chambers, Market Square, Northampton.

PEACOCK, GEORGE ALAN, Clerk to G. A. Marriott (Marriott, Rogerson & Co.), 15, Mosley Street, Manchester.

PEGRAM, STANLEY WALLIS, Clerk to Percy Mason & Co., 64, Gresham Street, Bank, London, E.C.2.

PERKINS, ERNEST LEWIS BANBURY, Clerk to Deloitte, Plender, Griffiths & Co., Avenida Roque Saenz Peña 547, Buenos Aires, South America.

PERKINS, WILLIAM HAYDN, Accountant's Department, Town Hall, Weston-super-Mare.

PHELAN, THOMAS PATRICK, Clerk to D. O'Connor & Co., 13, Westmoreland Street, Dublin, C.4.

PICOT, DONALD EWART, Clerk to Alex. E. Picot (Alex E. Picot & Co.), Trinity Chambers, 26, Hill Street, Jersey, C.I.

PITT, PHILIP KNIGHT, Clerk to D. G. Price (Duart-Smith, Baker & Price), Albion House, King Street, Gloucester.

PLACKETT, LESLIE HERBERT THOMAS, Clerk to Page, Simpson, Fitz-Gerald & Lambert, "Essex House," High Street, Stratford, London, E.15.

PORTER, EDWARD ERNEST, Clerk to Morgan & Pike, 59-60, Wind Street, Swansea.

POVEY, HENRY WILLIAM, Borough Treasurer's Department, Dukinfield Corporation, Town Hall, Dukinfield.

POWELL, CLEDWYN LLOYD, Clerk to H. Edwards (Ashmole, Edwards & Goskar), 61, Wind Street, Swansea.

PRESCOTT, WILLIAM BOWEN WEBB, Clerk to J. H. Barton (Cooper & Kenny), 34, Dame Street, Dublin.

PRYOR, ALBERT HENRY, Clerk to Stanley F. Stephens & Co., 16-17, New Hibernia Chambers, London Bridge, London, S.E.1.

RANGER, ALEXANDER WILLIAM, Clerk to J. L. Howell (Howell & Sons), 2, Broad Street Place, London, E.C.2.

REILLY, JOHN ARNOLD, Clerk to Mayne, Alexander & Co., City Chambers, 143, Royal Avenue, Belfast.

RICHARDSON, HILDA MARY, Clerk to Nutt & Horne, St. James's Chambers, Derby.

RILEY, WILLIAM, Clerk to H. J. Davidson (H. J. Davidson & Co.), 33, King Street, Manchester.

RIMINGTON, THOMAS GEOFFREY, Clerk to T. Rimington, 43, Gallowtree Gate, Leicester.

ROOKE, WESLEY EDWIN (Rooke, Holt & Co.), Empire House, St. Martin's-le-Grand, London, E.C.1, Practising Accountant.

ROSIER, STEPHEN, Clerk to Keens, Shay, Keens & Co., 11, George Street West, Luton, Beds.

ROY, BIBHUTI BHUSAN, B.A., Clerk to S. R. Batliboi & Co., 9, Grant Lane, Calcutta, India.

RUDKIN, LESLIE ERNEST, Clerk to C. M. Tustain (Thos. May & Co.), Allen House, Newarke Street, Leicester.

SANDERS, THOMAS HERBERT, Clerk to P. O. James, Market Square, Wellingborough.

SAUNDERS, DOUGLAS MARTIN, Clerk to G. R. Griffin (Griffin & Kennedy), 43, Cannon Street, Birmingham.

SAVAGE, JOHN HENRY, Clerk to R. Bennett, Treasurer, Urban District Council, Council Offices, Colwyn Bay, Denbighshire.

SEN, DINES CHARAN, B.A., Clerk to E. C. Malyon, Finsbury Court, Finsbury Pavement, London, E.C.2.

SEN, JITENDRA NATH, Clerk to G. E. Stringer (Bourne and Stringer), Terminus Chambers, 6, Holborn Viaduct, London, E.C.1.

SIDEBOTTOM, ERNEST ARTHUR, Clerk to E. V. Williamson, Wilson's Chambers, Greek Street, Leeds.

SIMPSON, JOHN, Clerk to W. H. Brandon (H. B. Brandon & Co.), Broadway, Ballymena, Co. Antrim.

SINDEN, ALBERT JAMES, Clerk to Hilton, Sharp & Clarke, 4, Pavilion Buildings, Brighton.

SLUGGETT, GEORGE ALBERT, Clerk to C. S. Moores, 15, Bedford Circus, Exeter.

SMITH, ARTHUR, Clerk to John A. Hartley, 52, Basinghall Street, Leeds.

SMITH, CHARLES ALEC., Clerk to J. T. Singleton (E. Harlow & Co.), 23, King Street, Nottingham.

SMITH, STANLEY, Clerk to Armitage & Norton, Martins Bank Chambers, Bradford.

STARKIE, ROBERT CARTER, Clerk to Arthur John Naylor (Starkie & Naylor), 6, South Parade, Leeds.

STEPHENS, GORDON STANLEY, Clerk to S. F. Stephens (F. W. Stephens & Co.), 15-17, EldonStreet, London, E.C.2.

STRITCH, JOHN ANDREW GEORGE PEIRCE RUSSELL, Clerk to Joseph Lawton & Co., 25, Slaney Street, Enniscorthy, Co. Wexford.

TAYLOR, GORDON HERBERT, Clerk to Goodchild & Halpern, 19, London Wall, London, E.C.2.

THOMAS, JOHN LEWIS, Borough Accountant, Aberystwyth Corporation, Town Hall, Aberystwyth.

THORNTON, ALBERT KENNETH, Clerk to W. A. Nixon (Alfred Nixon, Son & Turner), 31, Victoria Buildings, St. Mary's Gate, Manchester.

TOVELL, WALTER GEORGE, Clerk to D. L. Sellers, 27, Portland Street, Southampton.

TOZE, ARTHUR WILLIAM, Clerk to H. R. Michael (J. E. Denny, Bogle & Co.), 205-6, Finsbury Pavement House, London, E.C.2.

TRAVERS, JAMES, Clerk to Dearden, Brewis & Co., 79, Moseley Street, Manchester.

TURNER, FREDERICK CHARLES JESSE, Clerk to Nevill, Hovey, Gardner & Co., 103, Church Road, Hove, Sussex.

INTERMEDIATE—(*Continued.*)

UTTING, FREDERICK WILLIAM CHARLES, Clerk to Harper Smiths, 30, London Street, Norwich.

VANSTONE, SIDNEY CYRIL, Clerk to Everett, Morgan & Grundy, 90, Cannon Street, London, E.C.4.

VICKERS, KENNETH GRAHAM, Clerk to H. J. Bicker (Edward Bicker & Son), Exchange Buildings, Upper Hinton Road, Bournemouth.

WALKEM, STEPHEN HENRY, Clerk to T. A. Spittle (Page, Simpson, Fitzgerald & Lambert), 184, Old Christchurch Road, Bournemouth.

WARD, GEORGE, Clerk to Nathaniel Duxbury (Nathaniel Duxbury, Son & Co.), 27, Richmond Terrace, Blackburn.

WARREN, ERIC WILLIAM, Clerk to Leslie A. Tomlinson, Eldon Chambers, Wheeler Gate, Nottingham.

WATKINS, HERBERT JAMES, Clerk to D. C. Brook, 3, Central Buildings, Westminster, London, S.W.1.

WEEKS, HENRY JAMES, Clerk to F. Woolley (Woolley & Waldron), 6, Portland Street, Southampton.

WELLS, HARRY, Clerk to Butterfield & Hartman, 2, Darley Street, Bradford.

WENHAM, ERNEST JAMES ALFRED, Clerk to H. W. Batty (Darke, Robson & Batty), 146, Bishopsgate, London, E.C.2.

WEST, DOROTHY NORAH, Clerk to D. H. Jelley (Kilby & Fox), Drury Chambers, Northampton.

WESTMORELAND, REGINALD, Clerk to Frederick & C. S. Holliday, Pearl Chambers, East Parade, Leeds.

WHITAKER, HERBERT VINCENT, Clerk to T. Harold Platts (T. Harold Platts & Co.), 126, Colmore Row, Birmingham.

WHITWELL, WILLIAM EDWARD, Clerk to R. O. Naylor, Lloyds Bank Chambers, Kendal.

WILKIN, JOSEPH HENRY, Borough Treasurer's Department, Town Hall, Preston.

WILSON, THOMAS GRIFFITHS, Clerk to Henry Pell, 63A, Princes Street, Stockport.

WOOD, ARTHUR DANVERS, Clerk to F. W. Buzzacott (Buzzacott, Lillywhite & Co.), 16-17, King Street, London, E.C.2.

WOODS, CYRIL GEORGE, Clerk to L. F. Elverstone (L. F. Elverstone & Co.), Atlas House, Belvoir Road, Coalville, near Leicester.

WOODWARD, WILLIAM STANLEY, Clerk to Mellors, Basden & Co., 73, Basinghall Street, London, E.C.2.

WRIGHT, CHRISTOPHER, Clerk to James & Cowper, 14A, Northbrook Street, Newbury.

YAXLEY, WILLIAM REGINALD, Clerk to D. O. Dyke, The Old Mansion, St. Mary's Street, Shrewsbury, Shropshire.

YOUNG, ERNEST ERIC, Clerk to D. S. J. Pettitt (Pettit & Son, Lloyds Bank Chambers, Bournemouth.

SUMMARY:—

5 *Candidates awarded Honours.*
186 *Candidates passed.*
173 *Candidates failed.*

364 Total.

Passed in Preliminary.

Order of Merit.

PELL, JOHN MANSFIELD, 24, Beaufort Road, Clifton, Bristol. (*First Place Certificate.*)

Alphabetical Order.

BACON, GERALD BROWN, 26, Blyth Street, Seaton Delaval, Northumberland.

BARR, GEORGE MIDDLETON, 7, Whitburn Road, Doncaster.

BARRY, GEOFFREY ANDREW, 5, Colville Road, Wisbech, Cambs.

BAXENDALE, JOSEPH DONALD, 92, Castle Hill Road, Hindley, near Wigan.

BOYD, ERIC ARTHUR JESSE, 125, Wellington Road, Bush Hill Park, Enfield, Middlesex.

BRAND, GERARD, 9, Albert Terrace, Middlesbrough.

BRANSTON, GORDON FOULDS, 6, Hinckley Road, Leicester.

BREWIS, NORMAN WILLIAM, 354, Rectory Road, Gateshead.

CARSTON, DAVID RAYMOND, 17, Claude Road, Roath, Cardiff.

CARTER, JAMES BURTON, 29, Annesley, Nottingham.

CASSY, JOHN, 57, Princes Road, Middlesbrough.

CHICKEN, THOMAS JOSEPH, 30, Mendalgief Road, Newport, Mon.

CLARK, STANLEY, 14, Bannerdale Road, Millhouses, Sheffield.

CONWAY, FRANK EDWARD KENNETH, St. Agnes Post Office, 212, Newfoundland Road, Bristol.

COSSINS, ALFRED EDWARD, 94, Knavesmire Crescent, York.

COX, FREDERIC, "Wolverley," Dudley Road, Sedgley, Staffs.

CROSLAND, FREDERICK EWART, 18, West Park Road, Roundhay, Leeds.

CROWTHER, WILFRED SUTCLIFFE, 20, Cedric Road, Higher Crumpsall, Manchester.

DERRY, EDWARD GEORGE CHADWICK, 39, Grange Road, Kingston-on-Thames.

DICKMAN, FREDERICK WALTER, 34, Victoria Road, Kilburn, London, N.W.6.

DUNNE, KEVIN JOSEPH, 50, St. Alban's Road, South Circular Road, Dublin.

EDWARDS, DAVID KENNETH VINCENT, The College, Penarth, South Wales.

EDWARDS, GEORGE HENRY VICTOR, "Royal Oak," The Scotlands, Wolverhampton.

ELLIS, WILLIAM, 13, Highfield South, Rock Ferry, Birkenhead.

FRANCIS, JOHN LLOYD, 7, Marine Terrace, Mumbles, Swansea.

GALLANT, ROBERT GEORGE WILSON, 49, Gladstone Street, Roker, Sunderland.

GIBSON, JOHN WATSON, 43, Longley Street, Newcastle-on-Tyne.

GREEN, DOUGLAS KELLER, 959, Finchley Road, Golders Green, London, N.W.11.

GWYTHER, TALIESYN DAWKIN, 60, Disraeli Road, Forest Gate, London, E.7.

HALSALL, GEORGE STEPHEN, 60, Eastbourne Road, Birkdale, Southport, Lancs.

HAY, ALAN, 39, Salisbury Street, South Shields.

HENDERSON, ALAN JAMES, Long Park, Chesham Bois, Bucks.

HOLLINGDALE, ALAN EDWARDS, 9, Woodland Park Road, Newport, Mon.

HUDSON, HAROLD, 74, Halifax Road, Staincliffe, Batley.

HUGHES, WALTER CLIFFORD MADDOX, 13, Salisbury Street, Chester.

HURT, HAROLD, 17, Highfield Grove, West Bridgford, Nottingham.

IRELAND, SYDNEY STEPHEN, 5, Gordon Square, London, W.C.1.

JARDINE, JOHN, Shakespeare Inn, Felling-on-Tyne.

JORDAN, LESLIE PHILIP, 111, Fentiman Road, Clapham, London, S.W.8.

KNIGHT, BENJAMIN JAMES, 8, Spring Street, Brighton.

PRELIMINARY—(*Continued.*)

LEVICK, ERNEST, 19, Ball Avenue, Wallasey.

LORD, HARRY, 103, Moonshine Lane, Southey, Sheffield.

McBRIDE, WILLIAM HERBERT, 142, Ormeau Road, Belfast.

McCLELLAND, ALEC, "Ferndale," Midhurst Road, Benton, Newcastle-on-Tyne.

McCLENAHAN, THOMAS VICTOR, Mountsandel House, Coleraine.

McMAHON, CHARLES, 11, Hutton Avenue, West Hartlepool.

MEAKIN, HARRY, 45, Vaughan Road, Chorlton-cum-Hardy, Manchester.

MINSHALL, ALFRED ERNEST DITCHFIELD, 56, Napier Street, St. Helens, Lancs.

MITCHELL, HARRY, 86, Broom Lane, Levenshulme, Manchester.

MORRALL, WALTER GEORGE, 42, Hall Street, Dudley.

NIXON, FREDERICK, 49, Sunnyside Street, Belfast.

NOBLE, ARTHUR RICHARD, 325, Wakefield Road, Bradford.

PARRY, ROBERT CECIL, 38, Elswick Avenue, Bolton.

PAXTON, JOHN THOMAS, 41, Clarendon Road, Croydon.

PLUMTREE, CHARLES HENRY, 9, Parkland Drive, Stonegate Road, Leeds.

PRIME, SYDNEY GEORGE, 26, Okehampton Road, Willesden, London, N.W.10.

RALPH, ALBERT CECIL, 31, Bedford Grove, Eastbourne.

RAWDEN, REGINALD WALTER, 34, Wilby Lane, Barnsley.

RUSHTON, LAWRENCE ERNEST, 89, Dukes Brow, Blackburn.

SAGAR, ERIC WILLIAM, 2, George-a-Green Road, Wakefield, Yorks.

SKELTON, WILLIAM GERALD JOSEPH HAYDN, "Brentwood," Litherland Park, Liverpool.

SMITH, WALTER, 328, Barkerend Road, Bradford.

STUART, CECIL CHARLES HENRY, 17, Brighton Road, Surbiton, Surrey.

TAYLOR, ALAN, 135, Ashley Lane, Moston, Manchester.

THOMAS, HAROLD ERNEST, 16, Leicester Gardens, Seven Kings, Essex.

THORNBOROUGH, HORACE HENRY, 69, Cowslip Road, South Woodford, London, E.18.

TORGERSEN, THEODOR FRANK, 21, Westcott Terrace, Roker, Sunderland.

WALKER, RALPH NAYLOR, 21, Greenhill Avenue, Mossley Hill, Liverpool.

WALKER, WILLIAM CHARLES, 45, Clifton Place, Shipley, Yorks.

WALLEY, ERNEST, 4, April Street, Seedley, Manchester.

WARD, LESLIE ALBERT, 85, Sevington Road, Hendon, London, N.W.4.

WELCH, ARTHUR, 7, Elliscombe Road, Charlton, London, S.E.7.

WHEILDON, LESLIE, 275, Stockport Road, Levenshulme.

WIDALL, JOHN EDLY HUGH, 3, Seymour Road, West Bridgford, Nottingham.

WOOLNOUGH, BERTRAM HENRY, 89, Cavendish Avenue, New Malden, Surrey.

SUMMARY:—

1	*Candidate awarded Honours.*
75	*Candidates passed.*
60	*Candidates failed.*
136	Total.

Notts, Derby & Lincoln Society of Incorporated Accountants.

ANNUAL DINNER.

The annual dinner of this Society was held at the Victoria Station Hotel, Nottingham, on December 10th.

Mr. F. A. PRIOR, F.S.A.A. (President of the District Society), presided over a large and representative attendance, including the following:—The Lord Mayor of Nottingham (Councillor W. Wesson, J.P.), the Sheriff (Councillor W. Hooley, J.P.), Mr. Henry Morgan, F.S.A.A. (President of the Society of Incorporated Accountants and Auditors), Sir Edward Harrison, LL.B. (Chief Inspector of Taxes, Somerset House), Sir Albert Ball, J.P., Sir Arthur Blake, K.B.E. (President of the Stock Exchange), Judge Hildyard, K.C. (Nottingham County Court), Mr. P. J. Smith (President, Nottingham Law Society), Major Plackett (President, Nottingham Institute of Bankers), Mr. L. A. West (Official Receiver in Bankruptcy), Mr. H. W. Stevens (Inspector of Taxes), Mr. S. H. Hill (President, Nottingham Society of Chartered Accountants), Mr. A. H. Fitzpatrick (Secretary, Nottingham Society of Chartered Accountants), Mr. A. A. Garrett (Secretary, Society of Incorporated Accountants and Auditors), Mr. F. W. Clarke (President, Leicester District Society of Incorporated Accountants), Mr. W. T. Manning (Hon. Secretary, Leicester District Society of Incorporated Accountants), Mr. A. E. Piggott (Hon. Secretary, Manchester and District Society), Mr. R. H. Mason, A.S.A.A., Mr. H. F. Palmer, A.S.A.A., and Mr. S. I. Wallis (Hon. Secretary Nottingham, Derby and Lincoln Society).

The CHAIRMAN (Mr. F. A. Prior), proposing "The City and Trade of Nottingham," said he was reminded that twelve months ago it fell to his lot to propose this same toast. It had been an eventful year. They had seen the completion of that wonderful monument in the City Square, the new Council House, and the removal of the Market from its historic surroundings to more comfortable and commodious premises elsewhere. He also noted that while in 1928 the old Nottingham Market Place yielded a profit to the district rates of £5,600, the new market this year showed a loss of £353. He thought the lace industry could no longer be considered as Nottingham's staple industry, as the city generalised in trades, and this would ultimately be to the good of the city. There was a certain amount of depression, particularly in the retail trade, and he blamed "the pernicious hire purchase system" for this. The Corporation had done what it could to bring new industries to the city, and not the least helpful thing they had accomplished was the Trent Navigation scheme. Going on to speak of Corporation finances, Mr. Prior said that in the year ended March 31st, 1929, there was an increase in capital expenditure of £1,076,113. The city's debt during that period had increased by £771,403, and now stood at £10,566,000. Estimating the city's population at 275,000, the total debt was approaching £50 per head—man, woman and child, and he was wondering whether that was a contingent liability which some of them should note in their balance-sheets. (Laughter.) They had increased their annual expenditure on the general district rate account by some £550,000 per annum. An increase of 4s. 7d. in the rate was needed to bring up the balance of the account. When they boiled this down to the more or less hard facts they would find that on a £30 house occupied by a man earning £200 to £300 a year, he

had to pay £6 17s. 6d. more towards the rates than in 1914. If expenditure and rates continued to increase like this he thought the city would be one in which, to use an old phrase, only heroes could live in.

The LORD MAYOR, in his response, said they could still claim that Nottingham was the Queen City of the Midlands and that she would remain so for centuries to come. As to the trade of this city, he was surprised that the Society of Incorporated Accountants should bother about it. What did it matter to the accountant how trade was?—whether the merchant was prosperous or whether the merchant was bankrupt, he still wanted an accountant. When he had had a splendid year he might want the accountant to allot a portion of his profits, and when he was bankrupt he wanted the accountant even more to gather up the remnants of his estate. "Gentlemen," added the Lord Mayor with a smile, "yours is indeed a sheltered industry, and why you should bother whether trade is good or bad I cannot understand." (Laughter.) As to the city's growing expenditure, he pointed out that the city had something for it—Wollaton Park Estate, for instance—and if they had assets surely the debt was not so alarming. The city again had tremendously costly roads, but they expected rateable value in return for the improvement. That was how he saw this growing indebtedness, although he was bound to say that there might have to be a slowing down and even a halt. He wished the Society every success. (Applause.)

Sir EDWARD HARRISON, proposing the toast of "The Society of Incorporated Accountants and Auditors," said that he had spent an hour or two with the Inland Revenue staffs in Nottingham, and was greatly delighted to find that since he was last there in 1923 they had been bodily transferred to those magnificent new buildings that the Lord Mayor and the Corporation had provided. "It seems to me," he continued, "there is a great public advantage in having the officials of the central and local government departments housed conveniently in a centre such as this, advantageous to the citizens, to their professional advisers and to the staff themselves. When I was in those offices my attention was arrested—I will not say I was stunned—by the hour boomed forth from the great clock in the dome, and I thought how considerate it was of the Lord Mayor and Corporation to have provided offices for us, and to have set up that great bell in the tower. For obviously their reason for so doing was that the bell should act as a reminder to the citizens of Nottingham to ask themselves, when they heard it boom forth, the important question, "Have I paid my income tax?" (Laughter.) And if in any solitary instance the answer should be in the negative, to make a firm resolution to remedy the inadvertence before the time of the next half-hour chime. Your Society is, as societies go, youthful at present. It has, I think, not yet celebrated its jubilee. The Society to which I belong, if I may so put it, is a little older, for we date our existence from 1842. I am not suggesting there were no accountants in 1842, but I am suggesting that your methods, like ours, were cruder in those days. I would like to speak of the close contact you as a professional body have with us, the Revenue Department. I do not suppose you expect me to say much about our mutual relations. It seems to me they go without saying. You have on the one side a reputable professional body, and on the other a body of the public service, each recognising a sense of duty and of responsibility to the other. And when you have those conditions prevailing there is little to quarrel about. The subject of our relations is illustrated by the following incident. One of our inspectors of taxes resigned to join a firm of accountants. I met him a week or two afterwards. He seemed very happy, and told me of a conversation he had had with the senior partner. The senior partner said to the ex-inspector, when talking about income tax, 'We tell all our people the same thing—tell the Inspector of Taxes everything he wants to know; keep no facts from him, for we have nothing to conceal; answer all his questions and, having done that, fight him as hard as you like on questions of principle, if you think a fight is necessary.' I am not going to suggest that that is the only attitude towards us, but it does illustrate a very happy combination of a full measure of responsibility to your professional clients on the one hand, and some practical commonsense on the other.

It is sometimes said that the successful administration of taxation in this country is due to its civil servants. Far be it from me to disclaim any share of the credit that belongs to the Inland Revenue staffs, but it would not be correct, and it would be churlish if we did not recognise the real, substantial help in that respect of the taxpayers' professional advisers. We discuss across the table the most knotty problems, smooth out difficulties, and generally arrive at agreed settlements to the entire satisfaction of you and your clients and ourselves. But further, we should not forget John Citizen himself. In a democratic country the taxation rests, after all, upon general consent, and we are fortunate in living in a country where the majority of taxpayers are ready and willing to shoulder their very heavy burdens, provided they are satisfied they get fair treatment—(applause)—and ready, also, to pay the tax when the great bell booms forth. (Laughter.) I have said your Society is a young society, as societies go. That it is a prosperous and vigorous society is evident. One has only to look at the book you publish annually to see the geographical area you cover, not only in Great Britain but also in Ireland and the Dominions. We look forward with yourselves to a great and prosperous future for the Society, and if our wishes are of any concern to you, I am sure you have them for success and prosperity throughout the years to come. It gives me the greatest pleasure to propose the toast of your Society, and I should like to couple with it the name of your President, Mr. Henry Morgan. (Applause.)

Mr. HENRY MORGAN (President of the Parent Society) said that only once before had he ever been in Nottingham. Although that visit was for only a few hours, the occasion stood out very vividly in his memory. Rather more than a quarter of a century ago, on the day after his Articles expired, he began practice as an Incorporated Accountant. He remembered well catching an early train to Nottingham, where he attended a meeting of creditors on behalf of his first client and earned his first fee. The great honour which his colleagues on the Council had recently conferred upon him by electing him to the position of President of the Society of Incorporated Accountants and Auditors, in which capacity he was proud to be present as their guest, justified him in looking back upon the career thus begun with some considerable measure of satisfaction. "The question which I ask myself this evening," he said, "is whether a young Incorporated Accountant has at the present time as good a chance of establishing an accountancy practice as was presented to me by the conditions that existed 25 years ago. The period has witnessed a remarkable progress in our own Society as well as in the profession itself, and to no one present here this evening will those changes be more striking than to our distinguished guest, Sir Edward Harrison, the Chief Inspector of Taxes. I can speak with confidence and pleasure of the friendly

relations between Incorporated Accountants and all the officers of the Board of Inland Revenue in regard to the difficult work so efficiently carried out by that branch of His Majesty's Civil Service. We are glad to have Sir Edward Harrison with us to-night, and we were also pleased to welcome recently at a dinner of our Society in Birmingham, Sir Ernest Gowers, the chairman of the Board. In the early years of this century the taxpayer thought himself a very hardly used individual, struggling along under what he thought was the terrible burden of an income tax at the rate of 1s. in the £. We now look back to that time as the palmy days of the income taxpayer, when he could make his own income tax return, which was frequently accepted by the Surveyor of Taxes without question and when the employment of an Incorporated Accountant was regarded almost as a luxury. To-day no one but the type of individual who would be his own solicitor would think of doing otherwise than employ a skilled accountant to settle the amount of his income tax liability. Having passed through the experience of commencing and building up a practice, I would not suggest that the difficulties and the discouragements twenty-five years ago were not considerable, but I say definitely they were not nearly so formidable as they are to-day. The young qualified accountant to-day who does not possess the means of acquiring an interest in an established practice, or who is not backed by someone having extensive commercial interests, is up against the competition of unqualified men, who, free from the strict disciplinary control imposed upon their members by the Institute and the Society, resort to trade protection societies, income tax agencies, advertising, touting and other unprofessional methods, and by such means obtain a large part of the smaller work upon which the young practitioner must rely for the beginnings of a practice. The Institute and the Society are qualifying between 700 and 800 candidates every year, but in spite of the great increase in accountancy work, the increase in the number of their members in public practice is but a small proportion of the number qualified annually. Rightly, the public regard accountancy as a dignified profession, but what has raised a little-recognised science to that dignity is the high standard of conduct observed by its members. It is recognised that the diploma of Incorporated Accountant is of great value to those who may be seeking official appointments, positions in important commercial organisations, or employment with big accountancy firms; but the progress and status of accountancy as a profession must depend upon the number and stauding of its practising members. Having regard to the large number of candidates whom the Institute and the Society are qualifying year by year, there is a clear obligation upon their Councils to make every effort and to take every step possible to give these young men a fair chance of commencing public practice. I say it is unfair to the junior Chartered and Incorporated Accountants, and to the public, that the uncontrolled practitioner, who can advertise and get publicity under the guise of an income tax agency or a trade protection society, should be able to get a practice together with greater facility than a young Chartered or Incorporated Accountant who is allowed to do little more than put up a brass plate with his name and designation at the entrance to his office. The unfairness of this is felt by the young qualified accountant much more keenly than by those who are fortunate enough to possess well-established practices, and who benefit from the extraordinary publicity derived from the advertisement of the prospectuses, reports and balance-sheets of public companies, with their enormous lists of shareholders. I maintain that our Society has discharged its obligations to its younger members, and in spite of the difficulties I have mentioned I take an optimistic view of the future. Thirty years ago the Council of the Society exhibited what must now be recognised as remarkable foresight when they made registration of the profession their great aim. It is unnecessary for me to call attention to the strenuous efforts which they made and continued, in spite of repeated failures to secure it." At the beginning of this year the Council of the Society reaffirmed its registration policy. This was followed by an emphatic declaration in favour of registration by the local Legislation Committee of the Houses of Parliament, and we have a recent statement by Sir William Plender, President of the Institute of Chartered Accountants, that the question of registration is receiving serious consideration. "It therefore comes about that registration and regulation of the profession, which our Society has been fighting for during the last thirty years, is the great question which the profession has to deal with in the immediate future, and I venture to believe it may be my good fortune during my period of office to witness legislation that will confer upon our profession the protection, the powers and the privileges to which it is entitled by its services to the public and its heavy responsibilities."

The toast of "The Guests" was proposed in felicitous terms by Mr. R. H. MASON, and his Honour JUDGE HILDYARD, K.C., responded in humorous vein.

The Chairman's health was drunk with musical honours on the call of Mr. H. F. PALMER, and a few appropriate words in reply brought a memorable evening to a close.

PUBLIC AUDITORS
Under the Friendly and Industrial and Provident Societies Acts.

THE Lords Commissioners of His Majesty's Treasury have been pleased to appoint the following Incorporated Accountants to act as Public Auditors for Great Britain for the year ending December 31st, 1930, under the provisions of the Friendly Societies Act, 1896 (59 & 60 Vict., cap. 25), and the Industrial and Provident Societies Acts, 1893 to 1913 (56 & 57 Vict., cap. 39, and 3 & 4 Geo. V, cap. 31), viz:—

Acock, R. G., 69, London Street, Norwich; Wayland Hall, Watton, Norfolk.
Alban, F. J., Central Chambers, Newport, Mon.
Alexander, J. H., City Chambers, East Parade, Leeds; 12, Gladstone Street, Cross Keys; York House, Blackwood (Mon.); Market Buildings, Ebbw Vale.
Alexander, N., British Columbia House, 1, Regent Street, Waterloo Place, London, S.W.1.
Allen, H. J., 37, Surrey Street, Sheffield.
Amsden, E. V., 22, Walbrook, London, E.C.4; 2, Premier Parade, Edgware; 22, High Street, Hitchin; 18, High Street, Beckenham.
Andrews, E., 12, Abbey Square, Chester.
Antoine, B. W., 2A, The Mall, Ealing, London, W.5.
Armson, G. A., Bank House, 95, High Street, Lewisham, London, S.E.13.
Armstrong, H. J., Central Chambers, Fore Street, Hexham-on-Tyne.
Armstrong, J., 22, Station Road, Workington.
Armstrong, J. W., Northern Assurance Buildings, 2, Collingwood Street, Newcastle-upon-Tyne.

Arnold, C., 27, Bodfor Street, Rhyl; 1, Record Street, Ruthin, Denbighshire.
Arnold, F. V., Midland Bank Chambers, North Street, Brighton; Midland Bank Chambers, Horsham; Flint House, 44, South Street, Chichester.
Ashworth, W., 7A, Yorkshire Street, Burnley.
Aspray, N., "Olney," Middlefield Lane, West Hagley, Worcs.
Atkins, J. R., 76, Derby Street, Macclesfield; 54, Lawton Street, Congleton.

Baines, J. V., Curry's Chambers, 115, High Street, Stockton-on-Tees.
Baker, W. B., 9, Bridge Street, Berwick-on-Tweed.
Barker, A. E. S., 22, Scarborough Street, West Hartlepool.
Barrowcliff, C. Percy, 55 and 57, Albert Road, Middlesbrough; 175A, Newgate Street, Bishop Auckland.
Bartlett, R. Wilson, 24, Bridge Street, Newport, Mon.
Bausor, H., 20, Ebers Grove, Mapperley Park, Nottingham.
Bayliss, L. M., Garlett House, Leighton Buzzard; Market Square, Buckingham.
Bayliss, W. M., 16, Broad Street, Oxford.
Beer, W. W., 17, Bedford Circus, Exeter; 15, Gold Street, Tiverton.
Benbow, L., 2A, Sheep Street, Northampton.
Benjafield, A. J., 30, Chamberlain Street, Wells, Somerset; 27, High Street, Glastonbury.
Bennett, C. H., 741-743A, Salisbury House, London Wall, London, E.C.2.
Bentley, W., Wyndcliff, 33, Harpers Lane, Bolton.
Bicker, E., Exchange Buildings, Upper Hinton Road, Bournemouth.
Binns, J., Exchange Buildings, Mirfield, Yorkshire.
Black, W. C., 147, High Street, Newport, I.O.W.; 17, King's Terrace, Southsea; 57, High Street, Ventnor (I.O.W.).
Blythen, S., O.B.E., Victoria Chambers, Long Eaton; Market Place, Ilkeston.
Bowen, G. B., 22, Wind Street, Swansea.
Braddy, C. W., 107A, High Street, Winchester.
Bradley, E. R., 584, Christchurch Road, Boscombe.
Branson, R. M., Allen House, Newarke Street, Leicester.
Brazier, A. G., 15, Woodstock Road, Croydon.
Brewer, A. H., 3, Wood Street, Queen Square, Bath.
Broadbent, J. W., 34, Kensington Road, Oldham.
Brodie, J. Paterson, Moor House, Moorland Road, Burslem; 1, Hoghton Street, Southport.
Brodie, R. M., 29, Scale Lane, Hull.
Bromfield, J. H., 130, Powke Lane, Blackheath (Birmingham), Staffs.
Bromley, J. W., Winton Place, 19, Knowles Road, Batley.
Brown, E. T., Gresham Chambers, Lichfield Street, Wolverhampton; Barclays Bank Chambers, Bilston.
Bryant, A. C., 63, Broad Street, Bristol.
Buckle, C. D., 25, Cheapside Chambers, Bradford.
Buckley, A. N., Union Chambers, 45 and 47, Commercial Street, Halifax.
Bull, E., Bank Chambers, Devizes; Market Place, Warminster.
Burgess, G. W., 14, St. Mary Axe, Leadenhall Street, London, E.C.3.
Bush, B., 18, Eldon Square, Newcastle-on-Tyne.
Butler, J., 66, Albion Street, Leeds.

Carr, E. R., Stamford Bank Chambers, 10, Gallowtree Gate, Leicester; Savings Bank Chambers, Nottingham Street, Melton Mowbray.
Carr, W., 27, Regent Street, Barnsley.
Cattell, W. C., Bank Chambers, High Street, Kettering; Argus Chambers, High Street, Rushden.
Cessford, J. C., 23, Albany Street, Edinburgh.
Chadwick, A., 16, Bolton Street, Bury, Lancs.; 8, Garden Street, Ramsbottom, Lancs.
Claridge, C. E., 53, Well Street, Bradford.
Clark, W., County Bank Chambers, Bradshawgate, Leigh, Lancs.
Clarke, F. N., 4, Pavilion Buildings, Brighton; 2, North Street, Horsham.
Clarke, S. W., 31, Castle Hill, Lancaster; 51, Hoghton Street, Southport.
Clarkson, J. Paxton, 16, Devonshire Square, Bishopsgate Street, E.C.2.
Clarkson, P. D. J., 19, Winckley Square, Preston; Kent's Bank Road, Grange-over-Sands, Lancs.
Clayton, W., Milton Chambers, Milton Street, Nottingham.
Clinch, S. H., M.B.E., 119, Moorgate, E.C.2; Hurdis House, Broad Street, Seaford, Sussex.
Clutterbuck, S. E., M.B.E., 31, Queen Street, Cardiff; Midland Bank Chambers, Pentre, Glam.
Coates, F. W., 10, Albert Road, Middlesbrough.
Condie, J., 3, East Port, Dunfermline; 9, Drysdale Street, Alloa.
Cooper, D., Old Colony House, South King Street, Manchester.
Cooper, W. H., 5, Philpot Lane, London, E.C.3; 102, Queen Street, Maidenhead, Berks.
Costello, J. E., 90, Cannon Street, E.C.4.
Cox, H. J., Cardiff Chambers, 4, Cardiff Road, Luton; 2, Vaughan Road, Harpenden.
Crompton, W., 380-6 and 351-3, Produce Exchange, Hanging Ditch, Manchester.
Crowe, S. E., 1, Albion Street, Leeds.
Crowther, E., 10, Regent Street, Barnsley.
Cryer, M. P., Old Bank Chambers, Keighley.
Cunliffe, A. R., Station Buildings, 24, Railway Street, Nelson.

Daffern, T. W., O.B.E., 19-20, High Street, Coventry.
Davey, H., Hyland Buildings, Wood Street, Wakefield.
Davies, T., Wyndham House, Bridgend.
Davies, Trevor, 160, High Street, Camden Town, London, N.W.1.
Deacon, A. G., 13, St. Ann Street, Manchester.
Drowley, G., "Verwood," 26, Gloucester Road, Hampton, Middlesex.
Dudbridge, J. S., 8, Lansdown, Stroud, Glos.
Dudbridge, S., 8, Lansdown, Stroud, Glos.; Queen Street Chambers, Gloucester.
Duncan, D. C. N., Barclays Bank Chambers, 55, High Street, Grantham.
Dunlop, R. T., 45, Renfield Street, Glasgow.
Duthie, R. Simpson, Sun Chambers, 9, Devonshire Street, Carlisle.
Dyer, C. E., 32, Milton Park, Highgate, London, N.6; West View, 94, Woodlands Avenue, Finchley, London, N.3.
Dyer, S. A., 5, Fenwick Street, Liverpool.

Eaves, W., 47, Mosley Street, Manchester; County Bank Chambers, Chapel Street, Tyldesley.
Ednie, A., 7, St. Paul's Square, Bedford.
Edwards, A. R., 22, High East Street, Dorchester.
Edwards, H., 61, Wind Street, Swansea.
Edwards, R. H., Bank Chambers, 26, Mosley Street, Newcastle-on-Tyne.
Elliott, E. A., 18, Market Street, Heywood, Lancs.
Ellworthy, J. M., 13, Sherborne Lane, King William Street, London, E.C.4.
Eltringham, A., 20, Fowler Street, South Shields.
Evans, F., 8, West Street, Liskeard, Cornwall.
Evans, H. R., 17, George Street, St. Helens; Bank Chambers, Church Street, Prescot, Lancs.
Evans, T. A., Ffrwd Offices, Mountain Ash.
Evershed, A. E., 51, High Street, Guildford.

Fearnhead, J., 20 and 22, High Street, Chorley, Lancs.
Feek, A. J., High Street, Pershore, Worcester.
Feist, H. J. B., 12, Eaton Road, Leigh-on-Sea.
Ferneyhough, M. P., 6, Commerce Street, Longton, Staffs.; 23, Market Street, Hednesford, Staffs.
Flawn, S. J., 35, Hamilton Crescent, Palmers Green, London, N.13.
Ford, W. J., 28, Baldwin Street, Bristol.
Fortune, G. W., 26, Forrest Road, Edinburgh.
Foster, S. E., 29, Bank Street, Ashford, Kent.
Fox, F. W., 14, King Street, Leicester.
Freeborough, J. H., 25, Figtree Lane, Sheffield.
Friend, A. H., 15, Alexandra Place, Newbridge, Mon.
Froude, T., Crown Buildings, Loseby Lane, Leicester.
Fry, F. W., Clement's House, Clements Lane, London, E.C.4.

Gair, R., Emerson Chambers, Blackett Street, Newcastle-on-Tyne.
Gait, A., 1, The Foundry Bridge, Abertillery.
Gardiner, F. C., Barclays Bank Chambers, Scarborough.
Gardiner, H. T. G., 62, Cawley Road, London, E.9.
Gerrard, R., 71 and 73, Lee Lane, Horwich, Lancs.
Gill, F., Bank of Liverpool Chambers, Bradford.
Girling, A. F. J., Eldon Buildings, 20, Eldon Street, Barnsley.
Godkin, H., 53, Baxter Gate, Loughborough.
Goulding, E. S., O.B.E., 19, Sweeting Street, Liverpool.
Gowen, H. P., 7, Queen Street, Norwich; The Square, Fakenham, Norfolk; 13, Market Place, East Dereham.
Grassam, J., 32, Alliance Avenue, Anlaby Road, Hull.
Greenhalgh, T., Clifton Chambers, 23A, Clifton Street, Blackpool.
Greenwood, A., 20, Bond Street, Dewsbury.
Griffin, C. E. B., Bank Chambers, 8, Church Street, St. Helens.
Griffin, G. R., Newton Chambers, 43, Cannon Street, Birmingham.
Griffith, F., Westmorland Chambers, Kendal.
Griffith, R. O., 44, Cannon Street, Preston.
Griffiths, J. P., 10, Clarence Place, Docks, Cardiff.
Grimwood, Lt.-Col. J., C.B., D.S.O., O.B.E., St. Stephen's House, 2, Coleman Street, London, E.C.2.
Groves, T. J., 14, Scarborough Street, West Hartlepool.

Hackett, P. R., 36, Cannon Street, Birmingham.
Hallett, A., Studio Buildings, Regent Street, Wrexham, Denbigh; Lloyd's Bank Chambers, Ellesmere, Salop.
Hansford, G. L., Parr's Bank Buildings, 3, York Street, Manchester.
Hanson, F. W., Court Chambers, Jessop Street, Castleford, Yorks; High Street, Kippax.
Hargreaves, F., Bow Chambers, 55, Cross Street, Manchester.
Harlow, E., Grosvenor Chambers, 23, King Street, Nottingham.
Harper, F. C., 27, Chancery Lane, London, W.C.2.
Harris, H., 2 and 4, East Circus Street, Park Row, Nottingham.
Harrison, C. D., 22, Birley Street, Blackpool; 39, The Square, St. Annes-on-Sea.
Harrison, E., 29, Rothwell Road, Gosforth, Newcastle-on-Tyne.
Harrison, H. C., 15, Hagley Road, Stourbridge.
Hayden, G. D., High Street, Holt, Norfolk.
Hayes, P. R., 57A, Hope Street, Wrexham; Compton House, Corwen, Merioneth.
Hayhow, G. S., Purdy's Court, 84A, High Street, King's Lynn.
Heatley, R., Temple Chambers, 33, Brazennose Street, Manchester.
Heckels, R. D., 65, Coleraine Road, Blackheath, London, S.E.3.
Henderson, A., 62, Cross Street, Fraserburgh.
Henderson, J. H., Wilson's Chambers, 7, Greek Street, Leeds.
Hepburn, A. E., 5, Winchester House, Beaufort Street, Chelsea, London, S.W.3.
Hill, E. E., 26, High Street, Cardiff.
Hirst, G. L., 8, Bond Street, Dewsbury.
Hirst, J. W. A., 28, Queen Street, Albert Square, Manchester.
Hobbs, A. M., 64, Great Portland Street, London, W.1.
Hodge, H., National Provincial Chambers, High Street, Kettering.
Hodgson, R. T., 96, High Street, Stockton-on-Tees.
Hollows, R., 33A, King Street, Wigan.
Holman, W. J., 11, Queen Victoria Street, London, E.C.4.
Holmes, H., Ropergate End, Pontefract.
Holmes, J. T. L., Woodland Chambers, Colwyn Bay.
Homersham, Miss M. M., 5, Thoroughfare, Woodbridge, Suffolk.
Horsfield, A., Silver Street Chambers, Bury.
Hort, J. H., 202, Stanley Road, Bootle.
Hubbard, F. L., 41, Havelock Road, Hastings; Endwell Chambers, Endwell Road, Bexhill-on-Sea.
Hudson, T., 53, Well Street, Bradford.
Hughes, W., 12, Frederick Street, Sunderland.
Hustwick, W., 70, Kirkgate, Bradford.
Hutcheson, G. W., 44, Biddulph Mansions, London, W.9.

Ingram, A. J., 32, West Sunniside, Sunderland.

Jack, W. H., 38, Bath Street, Glasgow.
James, H. M., Turnbulls' Chambers, 14, High Street, Coventry.
Jenkins, W. R. L., Market Street, Pontypool, Mon.
Jennings, F., Borough Chambers, Neath.
Jessap, C. T., M.B.E., Barlow Chambers, Lumley Road, Skegness.
Johnson, A. J., 35, Southgate Street, Winchester.
Johnson, E. W., Arcade Chambers, Wigan.
Johnson, S., 5, Lower Temple Street, Birmingham.
Johnstone, W., 13, Church Street, Kidderminster.
Jones, E. F., 4, Fenchurch Avenue, London, E.C.3.
Judge, W. A., High Street, Skipton.

Keens, A. T., 45, High Street, Aylesbury, Bucks.
Keens, Thomas, 11, George Street West, Luton; Greenhill Chambers, Harrow-on-the-Hill, Middlesex; High Street, Stony Stratford, Bucks, &c.
Kenyon, F. T., Midland Bank Chambers, Penrith; Main Street, Keswick.
Kettridge, C. L., 1, London Wall Buildings, London, E.C.2.
Keys, C., Athenæum Chambers, 71, Temple Row, Birmingham; 321, High Street, West Bromwich.
Kilby, F., Drury Chambers, Market Square, Northampton.
King, G. C., 110, Edmund Street, Birmingham.
Kneale, H. E., St. George's Chambers, Douglas, Isle of Man; Victoria Chambers, Parliament Street, Ramsey, Isle of Man.

Lake, J., Gower Chambers, Swansea.
Lambert, W. E., Essex House, High Street, Stratford, London, E.15.
Lapish, J. B., Pearl Chambers, East Parade, Leeds.
Larder, C., Camomile Street Chambers, Bishopsgate, London, E.C.3.
Larking, R. C., Commercial Chambers, Orford Place, Norwich.
Lashmore, C. S., 2, Church Street, Cardiff.
Law, E. I., Kingscourt, Bridge Street, Walsall.
Lawson, G. R., Palmerston Buildings, 5, Manor Row, Bradford.
Laycock, S., Barclays Bank Chambers, North Street, Keighley.
Leah, H. B., 9, Warren Street, Stockport.
Lee, F., 7, Balmoral Chambers, Cloth Hall Street, Huddersfield.
Leigh, C., 66, St. Mary Street, Warrington.
Lentell, C. I., Montpelier Chambers, Sidmouth Street, Seaton, Devon.
Liversidge, H. G., Imperial Buildings, Rotherham.
Lloyd, J. T., 63, Fore Street, Trowbridge.
Lloyd, W., 19, Priory Street, Dudley, Worcs.
Lloyd-Roberts, J., Public Audit Offices, 2, Church Street, Carnarvon; "Cemlyn," Harlech, Merioneth.
Lock, F. J., 23, Eastbury Road, Watford.
Lowe, J. T., 1, Finkle Street, Kendal, Westmorland.

McCutcheon, R. T., 74, Bath Street, Glasgow, C.2.
McDonald, T. W., 98, Palmerston Road, Wood Green, London, N.22.
Macintyre, A., Muirbrow Chambers, 118, Cadzow Street, Hamilton.
Mahon, F., 4-5, Oriental Chambers, Doncaster.
Mair, A. J., 5, Frederick Street, Sunderland.
Marriott, G. A., 15, Mosley Street, Manchester.
Marshall, S. W., 107A, Mortimer Street, Herne Bay, Kent; Town Hall Chambers, Westgate-on-Sea, Kent; Bouverie Road West, Folkestone; 76, High Street, Broadstairs; 65, Oxford Street, Whitstable.
Martin, J. W., 17, Dormer Place, Leamington Spa, Warwickshire.
Mason, E. H., 9, Clarence Street, Cheltenham.
Mawson, J. D., 51, Boileau Road, Ealing, London, W.5.
Mayhew, W. O., 62, Oxford Street, London, W.1; Richmond Road, Bognor Regis.

Merchant, H. A., 48, Uxbridge Road, Ealing, London, W.5.
Metcalfe, S., 9, Swinnow Drive, Pudsey.
Millman, H. T., Allen House, Newarke Street, Leicester.
Mills, F. W. T., 6, Priory Place, Doncaster.
Milne, R., 68, Bath Street, Glasgow.
Moffat, F., 126, High Street, Falkirk.
Moger, J. R., Martins Bank Chambers, Cleckheaton, Yorkshire; 40, Bigby Street, Brigg, Lincs.
Moores, C. S., 15, Bedford Circus, Exeter.
Morgan, E. C., Crown Chambers, High Street, Newtown, Montgomery.
Mortimer, A. G., Prudential Buildings, 189, Hoe Street, Walthamstow, London, E.17.
Moss, F., Market Place, Ashton-under-Lyne.
Moulton, P. A., 21, Regent Street, Barnsley.
Moustardier, M., 69, Downs Road, Clapton, London, E.5; 50, Castle Road, Southsea.
Mullens, G. G., 16, Station Road, Port Talbot.
Naylor, R. O., 71, Chatsworth Road, Morecambe.
Neill, A., Westminster Bank Chambers, 76, Kingsland High Street, London, E.8.
Nelson, C. Hewetson, 43, Castle Street, Liverpool.
Nicholson, J., 185, High Street, Lincoln.
Norfolk, W. J., 8, East Stockwell Street, Colchester; Adwell House, Pallister Road, Clacton-on-Sea.
Oates, G. G., 4 and 5, Oriental Chambers, Doncaster.
Oddie, W. M., Springstone House, Ossett.
Oldfield, J. W., 5, Rose Grove, Mytholmroyd, Yorks.
Oldfield, W., 46, Castle Street, Hinckley.
Oldman, A. S., 27, North Albert Street, Fleetwood, Lancs.
Owen, D., 47, Milson Street, Bath; 47, Market Place, Warminster.
Oxley, H., 22, Regent Street, Barnsley.
Page, J. C., May Buildings, 51, North John Street, Liverpool.
Palmer, A. J., 71, West Street, Fareham, Hants.
Palmer, E. H., Bentinck Buildings, Wheeler Gate, Nottingham.
Palmer, G., Guildhall Annexe, 23, King Street, London, E.C.2.
Parish, L., 3, Branch Road, Batley.
Paterson, J., 13, Hamilton Street, Greenock; 18, Castle Street, Rothesay, Bute.
Payne, C. C., 6, Market Place, North Walsham, Norfolk; Red Lion Street, Aylsham.
Payne, W. H., 8 and 9, Martin Lane, Cannon Street, London, E.C.4.
Pearce, M. E. J., 102, High Street, Poole, Dorset.
Pearson, W., 5, Godwin Street, Bradford, Yorks.
Pellatt, A. P., 132B, High Street, Hythe, Kent; 58, Cheriton Road, Folkestone.
Petrie, J. McR., Bank Buildings, Bacup.
Pettitt, S. R., Lloyd's Bank Chambers, 45-47, Old Christchurch Road, Bournemouth.
Peveler, R., 5, Princes Square, Harrogate; Market Place, Ripon.
Platts, T. H., 126, Colmore Row, Birmingham.
Pocock, B. G., 8, Warwick Court, Holborn, London, W.C.1.
Pratt, A. J. S., 20, Pearl Buildings, Portsmouth.
Prior, F. A., Pelham House, Pelham Street, Nottingham.
Procter, S., County Bank Chambers, 41, Burnley Road, Padiham, Lancs.
Pugh, A. E., 19, Carlton Chambers, High Street, Newport, Mon.
Pugh, H. G., Oswyn House, 20, Oswald Road, Oswestry.
Rawlinson, E. B., Netherwood Chambers, 1A, Manor Row, Bradford.
Rees, W. H. S., 1, Charlesville Place, Neath, S. Wales; The Docks, Milford Haven.
Revell, H. W., Prudential Buildings, New Street, Huddersfield.
Revell, T., Standard Buildings, City Square, Leeds.
Reynolds, J. W., 49, Bank Street, Bradford.
Rhodes, J., 31, Manor Road, Bradford.
Riches, E. J., 12, Bank Street, Norwich; 33, Church Street, Cromer.
Riding, E. C., 3, Fleet Street, Torquay, Devonshire.
Ridsdale, G. R., Midland Bank Chambers, Bridge Street, Walsall.
Riley, H., St. Andrew's Chambers, 22, Park Row, Leeds; Layton Road, Rawdon, near Leeds.
Ritchie, P. G., 38, Bath Street, Glasgow.
Robathan, P. E., Imperial Buildings, Mount Stuart Square, Cardiff.
Rodger, T., 29, Grainger Street West, Newcastle-on-Tyne.
Rollinson, C. E., Westgate Chambers, Newport, Mon.
Rowland, F. S., 90, Pilgrim Street, Newcastle-on-Tyne.
Scarlett, C. S., 5, Cecil Square, Margate; 36, High Street, Ramsgate.
Schofield, A., 16 and 17, East Parade, Leeds.
Scott, J. A., 63, Castle Street, Edinburgh.
Searle, A. B., The Corn Exchange, Saffron Walden, Essex.
Shaw, E. B., Imperial Chambers, 43, New Street, Huddersfield.
Shaw, F., Market Place, Dewsbury.
Shepherd, J. W., C.B.E., 78, King Street, Manchester.
Shepherd, W. A., 50, Tredegar Street, Risca, Mon.
Sievwright, W. B., 3, Kinnoull Street, Perth.
Simmonds, H. J., 1, Tremadoc Road, Clapham, London, S.W.4.
Sisling, A. E., 9, Clinton Street West, Nottingham.
Slater, H., 5, St. Andrew's Street, Cambridge; Eaton House, High Street, Newmarket.
Slater, J. T., 11, Queen Street, Oldham.
Sleeman, A. W., Portland Chambers, Gower Street, Swansea.
Smith, W., 56, London Road N., Lowestoft.
Snow, W. K., 55, Quarry Street, Guildford; 4 and 5, Station Hill, Farnham, Surrey; 4, Carfax, Horsham, Sussex.
Soddy, R. J., 55, Gildredge Road, Eastbourne.
Sowerbutts, T. W., 16, St. Mary's Parsonage, Manchester.
Sparrow, G. W., 9, Corridor Chambers, Leicester.
Spicer, R. C., 5, Bank Plain, Norwich.
Starkie, R. E., 6, South Parade, Leeds.
Stembridge, P. G., Town Hall, Droitwich Spa.
Stephens, C. T., Post Office Chambers, Pontllanfraith, Mon.
Stephens, F. W., Liverpool House, 15-17, Eldon Street, London, E.C.2.
Stephenson, J., O.B.E., Queen Street Chambers, Peterborough; 5, Church Close, Boston; Portland Chambers, Market Place, Spalding; 22, Castlegate, Newark-on-Trent; Broadway, St. Ives, Hunts.; 17, High Street, Stamford, &c.
Storey, R. G., 8, Oxford Chambers, St. Stephen Street, Bristol.
Stott, W., 4, Carlton Range, Gorton, Manchester.
Sturges, H. H., 1, Guildhall Chambers, 31, Basinghall Street, London, E.C.2.
Sunderland, W., Craven Bank Chambers, North Street, Keighley.
Swallow, E., Bank Chambers, Market Place, Peterborough.
Tamplin, J., Westgate Chambers, Newport, Mon.
Tessier, A. N., 279, Borough High Street, London, S.E.1.
Thomas, D. B., Post Office Chambers, Merthyr Tydfil; Bryn Taf Offices, Treharris, Glam.; 7, Cross Morlais Street, Dowlais, Glam.

Thomson, J., The Crescent, 115, Drake Street, Rochdale, Lancs.
Thornley, J. C., 44, High Street, King's Lynn; High Street, Hunstanton.
Thurgood, J., The Arcade, Mexborough.
Townsend, H., 16, Weston Park, Crouch End, London, N.8.
Tullett, W., Market Place, Darlington.
Tunbridge, S. T., 6, South Quay, Great Yarmouth.
Tyler, G. H., Central House, 75, New Street, Birmingham.

Vizard, L., 2, Clarence Parade, Cheltenham.
Vizard, L. N., 2, Clarence Parade, Cheltenham.

Walker, G. H., 37, Southgate, Halifax.
Walker, P. H., 4, Park Place, Cardiff; The Arcade, Cowes, I.O.W.
Walker, R. B., 1, Richmond Terrace, Blackburn.
Walker, W., 7, Greek Street, Leeds.
Wallace, W. D., 48, Loughborough Road, Kirkcaldy.
Walters, W. L. J., Masonic Chambers, Gillingham, Dorset; Market Square, Sturminster Newton.
Walters, W. T., Middle Street, Yeovil.
Walton, A., 7, Bond Place, Leeds.
Walton, N. H., Midland Bank Chambers, Sunderland.
Ward, A., 21, Bridge Street, Bradford.
Wareing, J., 11, Chapel Street, Preston.
Warren, F. J., M.B.E., 3, Victoria Place, Haverfordwest; Britannia Stores, Cardigan; Savings Bank, Main Street, Pembroke; The Docks, Milford Haven.
Watson, A., County Buildings, 4, Cannon Street, Manchester.
Watson, O. A., 24-6, Corridor Chambers, Market Place, Leicester.
Watts, Miss E., 77, Chandos House, Palmer Street, Victoria Street, London, S.W.1.
Waud, N., "Melrose House," St. Sampson's Square, York.
Webb, E., 34, Grand Parade, Brighton.
Wells, C. H., Independent Buildings, 21, Fargate, Sheffield.
West, H. W., 154, Bishopsgate, London, E.C.2; Bank House, 618, Romford Road, Manor Park, London, E.12.
White, A. M., Erskine Chambers, 13, Grainger Street West, Newcastle-on-Tyne.
White, E. G., Bank Chambers, Lammas Street, Carmarthen.
White, J. C., 32 and 34, High Street, Sutton, Surrey.
White, P., 6, Sussex Terrace, Princess Square, Plymouth.
Whiting, W. F., Bridge Buildings, Nene Quay, Wisbech; Market Place, March.
Williams, E. J., Exchange Buildings, 14, Lowther Street, Carlisle.
Williams, E. K., Marldon Chambers, 30, North John Street, Liverpool.
Williams, G. B., Old Bank Chambers, Pontypridd.
Williams, G. R., 26, Windsor Place, Cardiff.
Williamson, J. H., Market Place, Ashton-under-Lyne.
Wilson, Sir C. H., Wilson's Chambers, 7, Greek Street, Leeds.
Windle, R. S., Midland Bank Chambers, Barnoldswick.
Witty, R. A., 6, Dowgate Hill, Cannon Street, London, E.C.4.
Wolstenholme, E. J., 36, Yorkshire Street, Rochdale.
Wood, D., M.B.E., 40, Cleveland Road, Ealing, W.13.
Wood, H., 179, Dock Street, Newport, Mon.
Woodhead, A. C., Manor Square, Otley.
Woolley, F., 6, Portland Street, Southampton; 18, St. Thomas Street, Lymington.
Yearsley, A., 84, Warrington Street, Ashton-under-Lyne; High Street, Blackwood, Mon.

District Societies of Incorporated Accountants.

EAST ANGLIA.

Syllabus of Lectures, 1929-30.

1929.	
Nov. 13th.	"Executorship Law and Accounts," by Mr. W. H. Grainger, F.S.A.A.
Nov. 27th.	"Commercial Contracts," by Mr. Ernest I. Watson, LL.D.
Dec. 18th.	"Bankruptcy," by Mr. C. B. L. Prior (Official Receiver).
1930.	
Jan. 15th.	"The 1926 and Subsequent Finance Acts," by Mr. G. B. Blunden (H.M. Senior Inspector of Taxes, Norwich).
Feb. 12th.	"Principles of Law," by His Honour Judge Herbert Smith, LL.D.
March 12th.	"The New Companies Act," by Mr. W. H. Grainger, F.S.A.A.

MANCHESTER.

Lectures and Meetings, 1929-30.

1929.	
Nov. 15th.	Mock Shareholders' Meeting.
Dec. 6th.	Open Discussion, "Income Tax Matters, including Back Duty Assessments."
1930.	
Jan. 17th.	Paper, "Amalgamation of Companies," by Mr. Halvor Piggott, F.S.A.A.,
Feb. 11th.	Lecture, "Case Law as Affecting Secretaries and Accountants," by Mr. Neville J. Laski, Barrister-at-Law. The attendance of members of the Chartered Institute of Secretaries will be welcomed.
Mar. 19th.	Lecture, "Our Antiquated System of Finance," by Mr. Reginald Kenny. Joint Meeting with members of the Manchester and District Branch of the Chartered Institute of Secretaries. To be held in the Bleachers' Association Hall, Blackfriars Street.
Mar. —	Forty-fourth Annual General Meeting of Members. (Date to be announced.)
April —	Special Meeting of Members.

NORTH STAFFORDSHIRE.

Mr. Percy H. Walker, F.S.A.A., President of the South Wales and Monmouthshire District Society of Incorporated Accountants, was the lecturer at the first meeting of the winter session of the North Staffordshire District Society on November 29th. Mr. Walker delivered a very instructive address on "Co-partnership and Co-operation in Industry," and an interesting discussion followed. Mr. Walker was accompanied by Mr. R. Wilson Bartlett, J.P., F.S.A.A., of Newport, Monmouthshire, a member of the Council of the Parent Society. The chair was occupied by Mr. Thomas Thompson, F.S.A.A., President of the North Staffordshire District Society.

SHEFFIELD.

ANNUAL MEETING.

The forty-second annual general meeting of this Society was held at Sheffield on October 29th.

The Secretary presented the forty-second annual report and accounts, which were approved, and which showed a very satisfactory year's work.

Mr. Percy Toothill, F.S.A.A., who has occupied the Presidential Chair for the last two years, and who is a member of the Council of the Parent Society, was requested to fill the position for another year, and was warmly thanked for his services. He consented to continue for the ensuing year and was unanimously elected.

Mr. L. Lewis, A.S.A.A., and Mr. F. W. Ogg, A.S.A.A., were re-elected Vice-Presidents.

The following members were elected to form the Committee:—Mr. C. A. Belbin, F.S.A.A., Mr. J. O. Claxton, A.S.A.A., Mr. C. S. Garraway, A.S.A.A., Mr. C. E. Gray, A.S.A.A., Mr. A. B. Griffiths, F.S.A.A., Mr. E. Ransom Harrison, F.S.A.A., Mr. H. Toothill, F.S.A.A., and Mr. C. H. Wells, F.S.A.A. Mr. H. Gerald Toothill was re-elected to the position of Hon. Librarian, and Mr. J. W. Richardson, A.S.A.A., was re-elected Hon. Secretary and Treasurer, and was thanked for his services in the past.

It was decided that a dinner should be held early in 1930, and the necessary arrangements were left in the hands of a special sub-committee.

Several other meetings have been arranged for the present session, including a visit to Bradford, when the student members of the Sheffield Society will debate with the student members of the Bradford Society on the matter of the nationalisation of the banking system.

Mr. Percy Toothill presented a number of books of recent issue to the Library, and a vote of thanks was accorded him for his kindness.

A number of new members were admitted to the Student Section of the Society. The total membership of the District Society now shows a very considerable increase.

SOUTH WALES AND MONMOUTHSHIRE.

The first lecture of the winter session was held at Cardiff on December 4th, when Councillor A. E. Pugh, F.S.A.A., of Newport, delivered a lecture to a large audience on "The Application of Economics to Everyday Life." The chair was taken by the President of the District Society, Mr. Percy H. Walker, F.S.A.A.

The Lecturer, who defined economics as the study of man in getting his living, gave numerous graphic examples of the working of economic laws, and compared the variable science of economics with the exact sciences such as astronomy and mathematics.

Dealing with unemployment, the Lecturer admitted that this was our greatest problem at the moment, and asked what explanation the economist could supply.

In most of the producing countries in Europe, he said, industry was steadily growing, but the demand was not increasing at the same rate, and we were faced with the problem of over-production growing more acute as time went on.

Some of the means of righting the position were the marketing schemes which were now being put forward by the Government and the owners, and the proposed reduction of hours. The Lecturer pointed out that the reduction of hours was not a question for the student of economics to deal with, but could only be answered by one with a technical knowledge of the particular industry.

After touching on the question of Rationalisation, Mr. Pugh concluded his address by stating that our great difficulty was the problem of reconciling twentieth century conditions with an attitude of mind which, whilst quite proper for the nineteenth century, was not proper to-day.

An interesting discussion ensued in which many of those present took part, and the lecture concluded with a warm vote of thanks to Mr. Pugh for his interesting address.

Reviews.

The Secretarial Handbook. (*Second Edition.*) *By E. Westby-Nunn, B.A., LL.B. London: Solicitors' Law Stationery Society, 22, Chancery Lane, W.C.* (240 *pp. Price* 6*s. net.*)

This is a most useful book for secretaries and all those connected with the administration of Joint Stock Companies. An important feature of the work is that all the alterations and additions effected by the Companies Act, 1929, are shown in italics. A separate chapter is devoted to private companies and the Appendix contains a large number of useful forms, those which are of an official character being specially indicated.

Limited Companies and Super Tax. *By Cecil A. Newport. London: Gee & Co. (Publishers) Ltd., 6, Kirby Street, E.C.* (116 *pp. Price* 7*s.* 6*d. net.*)

Mr. Newport has produced a very complete exposition of the law relating to Super tax on the undistributed profits of limited companies. The subject, which is a complicated one, is clearly and briefly explained, and the Appendix contains the relative provisions of the Finance Acts, 1922 and 1927.

A Practical Guide to Share Transfer Registration. *By A. W. Pilgrim and H. G. D. Coles. London: Macdonald & Evans, 8, John Street, Bedford Row, W.C.* (270 *pp. Price* 7*s.* 6*d. net.*)

The transfer department of a public company presents many difficulties, and new problems present themselves from day to day. In this book the subject is dealt with in a practical way and is supplemented by a large number of forms and rulings required in relation to registration matters. The book is a comprehensive one, containing the kind of information required by secretaries and registrars of public companies in their daily work.

Publishers' Accounts. *By Sydney Beevers, B.A., F.C.A. London: Gee & Co. (Publishers) Ltd., 6, Kirby Street, E.C.* (60 *pp. Price* 5*s. net.*)

Working examples with specimen entries of all books required in connection with the accounts of a publisher are given in this little book. The treatment is brief but conveys a large amount of information.

Economics for Commercial Students. (*8th Edition.*) *By Albert Crew. London: Jordan & Sons, Chancery Lane, W.C.* (492 *pp. Price* 5*s.* 6*d. post free.*)

This book covers the whole field of Economics, including (1) The Making of Wealth, under which is discussed the functions of labour and the necessity for organisation; (2) The Using and Consumption of Wealth, embodying the theory of value, markets, insurance, &c., and (3) The Distribution and Sharing of Wealth, dealing with the subject of wages and profits. Separate sections are also devoted to the Mechanism of Exchange, International Trade, the Functions of Government, Capital and Labour, &c. For the benefit of the student a number of questions are appended to each chapter, and the Appendix contains some useful hints for examination purposes together with selected questions from various examination papers, including those of the Society of Incorporated Accountants and Auditors and the Institute of Chartered Accountants.

Company Law. (*5th Edition.*) *By D. F. de l'Hoste Ranking, M.A., LL.D., and E. E. Spicer, F.C.A. London: H. F. L. (Publishers) Ltd., 17, Ironmonger Lane, E.C.* (374 *pp. Price* 10*s. net.*)

The passing of the Companies Act, 1929, has necessitated a complete revision of the text of this book, which is now well known amongst accountants. The matter is well classified under convenient headings and forms a most useful summary of the law relating to companies as it now exists. The book is carefully indexed and will be found reliable.

Stock Exchange Transactions.

A LECTURE delivered before the Incorporated Accountants' Students' Society of London by

MR. W. W. BIGG, A.C.A.

The chair was occupied by Alderman Sir STEPHEN KILLIK, J.P., F.S.A.A.

Mr. W. W. BIGG said: I want to deal to-night with the subject of Stock Exchange Transactions almost entirely from the point of view of the man in the street. I do not think there is very much doubt but that the average lay investor—that is the man who invests in very small quantities of stocks and shares from time to time—has not the slightest idea of the procedure which underlies the settlement of his bargains. Many people imagine that in order to buy stocks or shares one does exactly what one would do if one required to buy meat in Smithfield; that is to say, go to someone engaged there and ask them to buy a certain quantity of meat, and the meat would be found from somebody else who had it to sell. One goes to a broker and one imagines he goes to the Stock Exchange wherein is housed a very large number of shares, securities, debentures, &c., waiting for somebody to buy them, and the broker has a look at what securities there are for sale and then buys what looks the nicest. Obviously the Stock Exchange cannot be carried on in that way; therefore I want to illustrate the essential principles which have to be followed in making our bargain and in executing in the end our transfer.

EARLY HISTORY.

When we had our first National Loan floated, in the latter part of the seventeenth century, any purchaser of that stock had to find somebody among the public with opposite views, and by means of advertisement, conversations with friends, or speaking to people in the street, he might find a seller. After a time these people began to congregate in a certain defined place, and we had our first market somewhere near the Royal Exchange in London; and as and when more people became interested, street dealers gathered in the neighbouring taverns. The result was that a market began to spring up there. After a time it became apparent to them that they could make excellent profits from doing nothing else than buying and selling stocks, and we thus had our first dealers. Later on it occurred to some of them that they could act for other people who were not so privileged in their knowledge of dealing—in other words, act in the capacity of brokers for members of the public. The dealers of that time, therefore, acted sometimes for themselves and sometimes for other people, and made profits out of the transactions.

That was the beginning of our London Stock Exchange, which was formed with £20,000 capital made up of £50 shares. Later, a building was erected where the present Stock Exchange now stands, the capital was increased and additional money raised by means of debentures. At that early time anybody who became a member could be a broker or jobber, and they could combine both activities. Nowadays that is impossible. Anybody who applies for membership of the Stock Exchange has to say whether he intends to act as broker or jobber—the two functions are kept entirely distinct.

GOVERNMENT.

The members themselves are governed by a Committee of General Purposes consisting of 30 members of at least five years' standing, who are re-elected annually in March, and the interests of the shareholders of the Stock Exchange are governed by Trustees and Managers, nine in number. With the latter we are not very much interested, but we are interested in the Committee itself, because they govern the members and have absolute control over the members of the House. As an example of that, we have the fact that no member of the House is allowed to go to litigation without the consent of the Committee—that is, of course, in respect of his Stock Exchange dealings with other members.

A HYPOTHETICAL TRANSACTION.

For the purpose of illustrating the whole of these transactions, I want to trace a hypothetical purchase of shares. First of all you will seek out either your broker, or, if you like, your banker—bankers nowadays do undertake considerable Stock Exchange business. But you have to determine first of all whether you consider your interests will be best served by a banker or a broker. There is no doubt whatever that if you are dealing in securities other than pure trustee securities, your interests are best safeguarded by the broker who is on the spot. Your banker is not on the spot and therefore he has to forward your instructions to a broker, and you might just as well get your information first hand from the broker.

Having decided, then, to act with a member of the Stock Exchange, you will tell him you wish to purchase a certain quantity of shares or stock, and you will tell him to deal either at best or limit him as to price. If you limit him as to price you will tell him not to pay more than, say, 21s. per share. In a market which is fluctuating rather violently it is a dangerous thing to do. If the shares are standing to-day at 21s. 1½d. he cannot deal, and you may find by the time he has the opportunity of informing you of that fact that the shares have risen to 21s. 6d., and, therefore, you have lost the benefit of the cheaper market. If you have faith in your broker—and naturally you should have—you will give him instructions to deal at best—that is to get the best price he can in your interests.

Your broker, having received these instructions, will then go to the section of the House in which these particular shares are normally dealt in, and he will seek out the jobber with whom he normally deals and will ask him the price. If he asks a price, that is not binding on the jobber in any way; but if he asks for a "dealing price," then the jobber will be bound to deal within those limits in the particular shares. The jobber will give a double-barrelled quotation; he may say 20s. to 21s. That is to say he is prepared to buy from you at 20s. and prepared to sell to you at 21s. At the time of asking for that price the broker must give no information as to whether he is a buyer or a seller, because, if he did, the jobber naturally would be able to move the price in his own favour. If the jobber does not wish to deal in this particular share—because it may be there is very little market, or the position is rather obscure at the moment, and he has no idea whether he can unload the shares bought or purchase the shares sold—then he will protect himself by giving a very wide price, say, 18s. to 22s. The result of that is that the broker, not being satisfied with the price, would refuse to deal. Alternatively, when dealing with a particular stock, when it is unknown which way the price may move at any time, certain jobbers find that the best way to protect themselves is to take their lunch from eleven in the morning to four in the afternoon—(laughter)—otherwise they have to give a very wide quotation or

refuse the business. In this case we have a quotation of 20s. to 21s. The broker will then buy from the jobber, say, 1,000 shares at 21s.

Now, so far as the broker and jobber are concerned, at this point there is nothing further to do, except that next morning the prices will be compared by their respective clerks merely to ascertain that they have been recorded correctly. As far as the broker is concerned, he will that night send to his client a contract note, or Bought Note, setting forth how much he has paid for the shares, and adding to that the Stamp Duty, the Transfer Fee, the Contract Stamp and his own commission. Let us say in this case that the total bargain comes to £1,100.

Many members of the public have the idea that immediately they receive this Contract Note they are liable to pay and they send a cheque forthwith. Actually, of course, there is no great harm done in that way, excepting that the member of the public is losing money by reason of the fact that he probably takes his money from deposit and is therefore losing interest.

If the bargain is for the Account—as most securities are, except Government and Colonial Stocks, &c., or special bargains for cash—all these bargains are made for settlement at the end of a certain period. Therefore, the cheque should be sent a short time before what is known as Account Day—the day stated in the Contract Note. Until the settlement period arrives, then, at the end of the Account, the client and the broker will do nothing further in respect of this particular bargain, but the jobber, having sold shares at 21s., his first job must be to try and get those shares back from someone else at a more favourable price.

THE JOBBER'S TURN.

Here we come to another matter in which laymen become confused. Many have heard of the "jobber's turn," and they consider that the turn of the market, being the difference between his buying and his selling prices—in this case 1s.—is the jobber's profit. They know that the broker makes his profit by the commission charged to him. But, actually, that is fallacious. If the jobber's turn were the jobber's profit, it would mean that there is no change in the market or that the jobber buys and sells simultaneously. His idea is to buy back the stock he has sold, or to sell what he has purchased, by the end of the day, but he certainly will not always be able to buy back at the price he quoted to the first broker.

THE SETTLEMENT PERIOD.

Contango Day.

At the end of the period we have four days known as Settlement Days, and each one of these has a specific purpose. The first of these days is known as Contango or Carry-over Day. On that day everybody who has bought or sold shares will have to make up his mind whether or not he is going to take them up. If somebody has been buying shares with bullish tendencies, hoping that they may rise in price, in many cases he may find that so far his hopes have not been realised. He therefore has bought these shares at 21s. and it may be that at the date of the Account they are still quoted 20s. to 21s. There has been no change at all, and that being the case it would be impossible for him to sell out at a profit, because if you are buying shares you always have against you the jobber's turn. The purchaser may have very good information to the effect that the shares in the near future will rise in price, and so he realises that unless he either takes them up or makes some arrangement he is going to lose the benefit of the future profit. Alternatively he must sell them, and if he does so he loses all interest in the shares; the only way of getting that back again is to buy the shares back for the next Account. The result would be that he has sold in one Account and bought in another, and thus incurred additional charges. We have, therefore, the privilege known as carrying over.

The client will approach his broker and will ask him if he can arrange to carry over the shares to the next Account. He must do that early on Contango Day. If the client is a man of good financial stability, then the broker might consider making arrangements for carrying them over; but if the client is not a substantial person—if, say, he is an office boy who has bought a million shares in some concern for which he anticipates a quick rise, but, unfortunately, by the end of the Account the quick rise has not materialised—then the broker should not carry over for him, because normally an office boy has very little stability. (Laughter.) The result is that, if the broker is satisfied with his client's position, he will endeavour to arrange to carry the bargain over—in other words to suspend payment for a fortnight, the Account usually being of a fortnight's duration. He will do that by going to the jobber from whom he purchased the stock and asking him if he will arrange to carry it over. If he is willing to do that, the effect is that the stock is sold back to the jobber at one price with a contract to buy it back from the jobber for the next Account at the same price. The price at which he sells back to the jobber is the making-up price which is fixed by the clerk to the Committee of the Stock Exchange on the Contango Day and is normally the price ruling in the market at noon on that day.

Supposing, then, we did carry over our 21s. bargain and the making-up price at that time was 20s.; we shall therefore carry over our bargain for £1,000. In the books of the broker we shall have been debited with £1,100, including charges, and we shall be credited with what is tantamount to a loan of part of that amount, namely, £1,000; we shall be credited in the old account with £1,000 and the £1,000 will be debited in the new Account. That leaves a difference in the old Account. and that difference has to be settled by the payment of cash. There is no question of being able to carry over the whole bargain; we can only carry over the making-up price. If we are lucky it may be higher than the bargain price, but normally it is the other way round.

In the books of the purchaser the entries will be the reverse; that is to say, he will debit his broker and carry down as a balance the making-up price, and he will then send cash to the broker for the difference.

In consideration of this, the broker will charge his client what is known as Contango interest; that is, interest on what is in fact the loan for a fortnight. The rate will vary according to the supply and demand for money, and in this particular case it will vary in accordance with the supply and demand for this particular share. It will vary also with the jobber's commitments in that particular security and whether he is desirous of further developing his position as a bull or a bear. If the jobber is not very keen on carrying the shares over, naturally he will demand a very much higher consideration for doing so.

We have arranged, then, in this particular case to postpone settlement.

Ticket Day.

Now we will assume that we had arranged in the ordinary way to take these shares up. Then we shall

come to the next day of the Settlement period, namely, that known as Ticket or Name Day. On that day it becomes necessary to ascertain who was the original person to put these shares on the market and who was the ultimate person to buy them. It is quite apparent that in speculative securities, and especially in boom periods, shares are bought and sold within the Account a very large number of times, merely with the object of making a profit on the difference. The result is that our 1,000 shares may have been put on the market some days ago and since then have changed hands many times before coming to us. We then have to be put into contact with the man who originally put them on the market and thus eliminate all intermediate parties. In the case of securities that are not dealt in to any great extent this will be settled by means of a ticket. The ticket will be made out by the ultimate buyer—that is to say, the ultimate buyer's broker—and he will show on the ticket that he wishes to receive 1,000 shares in the particular company with which we are dealing at the price which he has agreed to pay for them. The only other person in this transaction with whom he is familiar is the jobber from whom he made the purchase. Therefore, he will pass that ticket to the jobber.

Now, the jobber never had those shares. He sold them probably before having thought of buying them. He has bought them, therefore, some time afterwards from some other broker, and therefore he will pass on the ticket to the person from whom he purchased. That person has bought and sold within the Account, therefore he will pass the ticket on to the person from whom he purchased, and so on. Ultimately the ticket will reach the member who originally had put the shares on to the market. We have, then, established contact between the seller and the buyer; thus the seller is enabled to complete the transfer in order to transfer the securities from his client to the client of the buying broker.

That sounds fairly simple where we have a reasonable number of dealings; but obviously, where we have a very large number of dealings, it would be impossible to pass a ticket a thousand times. By the time the ticket reached the ultimate seller a considerable amount of time would have elapsed and the ticket would have become very much the worse for wear. In such cases, therefore, we have to invoke the help of the Stock Exchange Clearing House. In the case of the Clearing House, every member of the House will send to it a list of his dealings in each particular security which the Clearing House clears. On one side he will show details of his purchases and the names of the members from whom he has purchased that quantity of securities. On the other side he will show details of his sales and the names of the persons to whom he has sold. Therefore if we take the two sides and find the balance, we ascertain how much in terms of quantity that member requires to receive or how much he should deliver. All these lists will be collected by the clerks of the Clearing House and checked and contra-ed one against the other; that is, the purchase of one will be the sale of the other. Ultimately we find that one member is due to receive 500 shares on balance and another is due to deliver 500; the result is the elimination of the whole of the intermediate transactions and a ticket is then made out passing the securities due on balance from one member to another.

We then have to consider the interests of these persons who are intermediate in the main transaction. It is quite obvious that they have not bought and sold at the same price, and although we have contra-ed out their purchase and sale as far as quantity is concerned, we cannot do that in the case of money. A man may have purchased these securities for £1,000 and sold them for £1,200, and naturally he looks forward to receiving £200 at the end of the Account, being the measure of his profit.

We have to consider, therefore, how these transactions can be settled in their books. Take the case of A. He may have purchased from B. for £800. He has sold to C. for £1,000. Therefore in his books he has a creditor for £800 and a debtor for £1,000. Now it would be very foolish if the whole of these transactions were settled in detail; that is to say, if the client were to hand over a cheque for £800 with which to pay the creditor, and to receive a cheque for £1,000 from the debtor. Naturally, the client is not going to advance £800 with which to settle the first transaction and then expect to receive back £1,000. All the client desires is to receive the £200, namely, his profit. So we settle in exactly the same way as we do in the case of the Bankers' Clearing House. Naturally, it would be absurd if Barclays Bank, for example, had to settle in cash every cheque drawn upon it and presented to it by Lloyds Bank. Even if there were sufficient cash to go round it would take many years to settle the transactions for one week. So we settle on balance.

We have got to settle this £800 transaction and the £1,000 transaction on balance and still maintain the double entry in our books. Where we have adopted the ticket system, the ticket will show the amount which the ultimate buyer is willing to pay for his shares. This ticket to all intents and purposes when it leaves the buyer's hands may be regarded as a Bill of Exchange for its face value of, say, £1,000. Every party receiving the ticket will regard its receipt as the receipt of £1,000, and therefore will credit the amount to the person from whom he obtains it. With the ticket, or name, he can settle the transaction with his own creditor, because he passes it on to him. Therefore, the ticket goes throughout the books of the members credited to debtors and debited to creditors. In each account we shall have a slight difference—the difference between the original price and the contract price—and that difference must be settled at the end of the Account in actual cash.

That is what happens where we have the ticket system, but where we have the more up-to-date Settlement by the Stock Exchange Clearing House, we cannot settle in that way. In those cases every member will put through his accounts by means of a contra to his buyer and to his seller the making-up price of those securities, and thus the difference between the making-up price and the original bargains, whether purchase or sale, will determine the difference to be paid in cash.

On this day, then, we have ascertained not only the names of the persons to be interested in the transfer, but also any sums of money which it will be necessary to pay out or receive at the end of the Account.

Intermediate Day.

We then come to the third day of the Settlement period, namely, the Wednesday, which is known as Intermediate Day. The object of this day is to facilitate the preparation of the transfers. If we have ascertained the names on Tuesday we can proceed to get the transfers ready on the Wednesday.

Account Day.

The next day is the one which is of utmost importance from the point of view of the layman, merely because he regards it in an entirely erroneous way—that is, Account Day, Pay Day, or Settlement Day. The layman, unless he has the view mentioned previously, regards Account

Day as the day on which his bargain has to be settled. He sees the Account Day at the bottom of his contract and he naturally thinks that so long as he pays within a reasonable period after that time he will be in order. But it is quite obvious that a member of the public cannot pay his broker on Account Day. If he sends his cheque to the broker on Account Day the broker will not receive it until the following day. Now, the broker is his agent; he is not acting in this transaction as principal at all. You have instructed him to purchase shares on your behalf, and, therefore, you are expected to put him in funds in respect of those shares before he finds it necessary to pay.

Account Day is devoted entirely to settlement between members of the House themselves; that is to say, brokers will settle with jobbers and jobbers with brokers. Therefore, our broker from whom we purchased should be put into funds before Account Day. The latest time at which the layman should pay his broker should be Wednesday night, in order that the broker may receive the money first thing on Thursday morning, and then he is enabled with that money to pay the jobber from whom he purchased the securities.

A similar misunderstanding is that of the seller. He imagines that he will receive his money promptly by the last post on Thursday night. In the average case the seller will not receive the proceeds of his sale until some days after Account Day. The reasons are exactly the same as those applying in the case of the buyer. It is quite obvious again that the broker, in this case acting for the seller, is acting as the seller's agent, and, therefore, he cannot pay his principal, his client, until he himself has received the money. He himself will not receive the money until Account Day, so that it is quite apparent that he could not send that money to his client before Account Day. But he will not send it even then, because, before parting with the money, he naturally must be satisfied that his client is possessed of the securities. His client has merely given him an order but has not presented him with the securities; therefore, he must be satisfied, before handing over the money, that the client does own those securities. For that purpose he will have to send his client a transfer in order that the client can transfer the securities into the name of the buyer and return it together with the certificate—that is the evidence of his title. It may, therefore, be some days after Account Day before the broker receives these documents and is thus in a position to send his cheque in settlement of the bargain to the client.

THE TRANSFER.

Now, so far the only thing which we as buyers have received from our broker is a Contract Note, and that is the only evidence, as far as we are concerned, that we have purchased those securities, and it may be some weeks or months before we shall find anything more than that in our possession. Having obtained the transfer from the original seller, the buying broker will then send it, together with the share certificate relating to it, to the registered office of the company in whose shares we are dealing, for registration. On receipt of that transfer and the old share certificate, the Registrar of the company will hand over to the broker's clerk a transfer receipt acknowledging the receipt of the transfer and certificate, and promising delivery of a new share certificate within a specified period of time. The transfer will then be checked carefully as to its numbers, names, and so on, with the old certificate which purports to relate to it. If that is agreed, the old certificate will then be cancelled by the company and a new certificate made out in the name of the buyer, and the necessary entries made in the Register of Members. The new certificate as a rule will be ready within three or four weeks for delivery. The broker will then present his transfer receipt to the company and receive in exchange for it the new share certificate, and thus, probably six weeks or more after the bargain was entered into, the client will receive the new certificate.

If we consider for a moment the viewpoint of a seller, we may find in many cases that the seller intends to sell a smaller number of shares than that which he possesses. In many cases, if he is dealing with vast quantities of shares, he will have certificates made out in small numbers, but in other cases he may have only one share certificate—that is to say, he has a certificate for, say, 1,000 shares and he only wishes to sell 500. In such cases the broker will send the share certificate and the transfer of 500 for certification. The Registrar will then certify on the face of the transfer that a certificate covering the number of shares sold has been lodged with him; he will then retain the share certificate and, in exchange for it, will give a balance receipt for 500 shares. Thus, the selling broker has a balance receipt for 500 and a certified transfer for 500; the latter he will deliver to the buying broker, and this will be regarded on the Stock Exchange as good delivery and will not then necessitate the share certificate.

SPECULATION-DIFFERENCES.

Now I want to deal for a few minutes with the question of speculation. In this country we have, as far as stocks and shares are concerned, various methods of speculating, and the most common of these is, perhaps, buying and selling within an Account—that is, operating or speculating in differences. If anybody considers that shares are likely to rise in the near future—that is, they have what is known as bullish tendencies—they will buy shares hoping that they can resell them before the time for settlement arrives. If that is the case and they are able to realise the hopes which they have entertained, then they will resell and pocket the difference between the two prices, and they will have incurred nothing by way of stamp duty because they have not taken up the shares. But, on the other hand, as is often the case, if the hopes are not realised and, instead of going up, the shares have gone down or remained stationary, then the buyer has only one thing to do, and that is to carry over. If he cannot afford to do that, he must sell. Obviously to carry over shares in a speculative market, where the chances are that they may go up or down, is a very costly proceeding.

Imagine a case where we buy 1,000 shares at £1. At the end of the Account we find that those shares have gone down. We had hoped that they would have gone up to £1,200 and that we could have sold out at a profit. On Contango Day we find those shares down to £800. We could sell if we liked and make a definite loss of £200; alternatively, we can carry over at the mean price which is £800. The result is that we pay our broker £200, and that £200 is really a payment on account of the £1,000. If we can imagine such disastrous circumstances as those shares going down at every Account, and imagine that we are foolish enough to carry the shares over at the end of every Account, then if the shares ever reach zero, it means that we have bought them really on the instalment plan. We have paid so much every Account in respect of our original bargain and in the meantime we have paid interest on the money outstanding. So before deciding to carry over one has to consider whether it is going to be profitable, because it is a very expensive type of speculation.

PURCHASE.

That is the first type of speculation. The second is actually to buy the shares. You imagine that the shares are going up—not within the next week, but within the next few months. Obviously the best thing to do, to support your bullish outlook, is to buy those particular shares and hold them until they do go up. You do not, therefore, incur any expense.

It is very often that one receives a tip as to the possible future of certain shares. I daresay that everybody here has at some time or other received a tip with regard to certain shares which are going to be good in the near future. The average small lay investor, having received a tip, will often make every haste to buy. He never seems to realise that he is not the first person to have received the tip. Probably it has been going round "in confidence" for perhaps three months and has reached the ears of a vast number of people; each of those people has acted on the tip, and the result is the shares have gone up. Consequently, the man who last receives the tip buys the shares at the very top of the market; they cannot go higher because the market has already discounted the information. People imagine that they have inside information and that, as soon as it is made public, the shares are bound to go up or down, but they do not realise that that information is not as private as they think.

So far we have considered only the operation of the "bull." On the other hand, we may be very pessimistic about certain shares; we may be quite confident that at any moment the shares are going to drop considerably. We therefore sell shares which we do not possess, hoping that by the end of the Account we shall be able to buy them back at a lower price and make a profit. That is a far more dangerous procedure than being a "bull." If you are a "bear" you have sold shares which you do not possess, and it will become necessary for you to buy those shares back to complete your bargain. But there is no limit to the price which you might have to pay to buy them back. If it were to become apparent to people on the market that there were a large number of "bears," those people in possession of the shares would be able to demand any price they liked for them; but in the case of the "bull" it is impossible to lose more than you have actually contracted to pay.

OPTIONS.

Now we come to another type of speculation which was recommenced on the Stock Exchange after the War—that is Option dealing. Option dealing to certain people who are uninitiated as to its nature is apparently a definite road to fortune. One cannot lose money because one can purchase an option to buy or to sell. "If I purchase an option to buy, the chances are that the shares will go up a little in the future, and I will make a profit." Such people disregard this fact, that if you buy a call option you buy it for a specified time, which may be three months, and you buy the right to purchase those shares at any time within three months at the price agreed on to-day. Assume that the price to-day is 20s.—21s. We, therefore, buy a call option at 21s.; that is to say, we have the right within three months to call those shares at 21s. In consideration of that, we pay what is known as option money, and the amount demanded for that will depend on the number of option dealings. Let us suppose we pay 1s. a share for that option. That means that the shares have to go from 20s.—21s. to 21s.—22s. before we even get back the jobber's turn; they then have to go to 22s.—23s. to get back our option money; a rise to 22s. 6d.—23s. 6d. will be necessary to recover our charges, and to 23s.—24s. before we can make a profit by calling them at 21s. Therefore option dealing is not so favourable as it sounds. In sound securities shares do not rise violently in a short space of time except in abnormal circumstances.

If we buy a "put" option, we buy the reverse; that is to say, we buy the right to sell those shares at any time within the option period at an agreed price. There again we have to have a violent fall. We can, however, secure ourselves by what is called a "double option." If a prospective speculator's information is so doubtful that he does not know whether the shares will go up or down, it is far better not to buy an option at all. Double options, therefore, are confined almost entirely to professional operators. That is to say, there may be some definite news which they know will be forthcoming in the future: it may be good or bad, therefore, a "double option" might be of advantage.

MARGINS.

We now come to a type of speculation which is not popular on the legitimate Exchange here, but which is very popular in America and also in this country with bucket shops. That type of speculation is known as dealing in margins. The idea here—probably some of you have had circulars to that effect from bucket shops—is that you should allow them to purchase on your behalf certain securities. They may tell you that they have inside information that a certain share is going to rise by a considerable amount in a short time; and, further, they may tell you that you need not pay for those shares now, you need only deposit a margin. The man who understands little about Stock Exchange dealing imagines, therefore, that by paying a very small deposit he can control quite a large number of shares and then make a considerable profit in the future.

Supposing we are invited to buy £1,000 worth of stock and we are told we need only pay 20 per cent. We, therefore, send to the broker £200 on account of the purchase. If the stock remains stationary we need not pay any more, but if the stock drops below £800 then we must pay a further margin, or, alternatively, give instructions for the stock to be sold and thus lose our £200. On the other hand, if the stock rises in price, then we can give instructions to our broker to sell. The bucket shops will tell you that if you send them £200, in a few months' time those shares will be standing at £1,500 and that they will have pleasure in sending you £700, being the return of your margin and also a considerable profit. But it is very unlikely that the shares will go up; the chances are much more likely that they will go down. In many cases there is no doubt that the bucket shop does not buy the shares on your behalf. All that it will do is to keep the £200 which you have sent and take the risk of those shares going up or down as the case may be. As they have normally satisfied themselves as to that possibility before circularising you, it is very unlikely that the shares will go up, and therefore, ultimately, the shares having gone down below your £800 limit, you give them instructions to sell. The result is that they keep your margin, together with any small amount which you may have to pay in addition to that.

In this country there is a certain amount of margin dealing, but it is almost entirely by bucket shops. In America, however, margin dealing is very popular. There it does not take quite the same form. It would mean there that you would pay 20 per cent. security, or deposit, against, say, £1,000, and the result would be that, immediately your stock dropped to £800, your

broker would sell, and, therefore, he would keep your margin. On the other hand, should your stock go up in price, then you make any arrangement you may care to with your broker as to sale.

There is just one other word, and that is with regard to speculation generally. Certainly the most profitable speculation is by the purchase and the definite holding of shares. In that way, especially if you are buying a first-class security—which not only is paying you a reasonable dividend, but which is going to give you some capital appreciation—then not only have you got security for your money and very little fear of loss, but you couple with it a regular income from your shares with, in addition, every prospect of capital appreciation in the future. So there is no doubt that, from the point of view of the lay investor, that is the best form of speculation; as a matter of fact, there is very little of the speculative element in it. For the lay investor who has no knowledge of Stock Exchange dealings to deal in options or margins is merely asking for an opportunity to waste money.

Discussion.

Mr. F. W. E. KING, Incorporated Accountant: I hope I am not displaying my ignorance, but I should like to know the meaning of the term "bucket shop."

The LECTURER: Actually, of course, "bucket shop" is not exactly a polite term to apply to any firm of brokers. It applies to all firms of outside brokers who are not above any question of suspicion. It does not apply to every firm of outside brokers. Some outside brokers are perfectly honourable in their dealings, but those who deal in securities which probably 99 out of 100 people have never heard of—wild-cat schemes and gold mines which are going to return about 500 per cent. profit on a £1 share within a few months—that type of office is generally known as a "bucket shop."

Mr. F. W. BERRINGER: The Lecturer mentioned that a stockbroker is an agent and not a principal. Is he not sometimes a principal?

The LECTURER: As far as a stockbroker and his client are concerned, he is always an agent; but as far as the stockbroker and jobber are concerned, by the custom of the Stock Exchange he is a principal. They know he is acting on behalf of a client, they know that his capacity is that of an agent, but he is liable to the jobber as a principal. He could not plead that his principal had defaulted and that therefore he could not pay; he has to pay the jobber.

Mr. F. W. BRIGHT: There are a number of alleged financial newspapers and share-advertising papers. Is it safe to assume that they are all controlled by "bucket shops" or irresponsible dealers?

The LECTURER: I do not know that it is necessary to assume that every one is, but the assumption is rather in favour of that, especially when they advertise all sorts of securities which are very doubtful and which you will not find in the Stock Exchange official list. By creating a certain amount of interest in these securities, brokers are able to point out to their clients the glowing terms in which those securities are referred to in the papers. The clients, having no knowledge of the paper in question, might be particularly interested in those securities by reason of those glowing statements. There is no doubt whatever that certain of them are backed by "bucket shops."

Mr. J. AUERBACH, Incorporated Accountant: Although the Lecturer did not refer to the question of the numbering of shares, I wonder whether I would be in order in asking him to give his views with regard to this point?

The LECTURER: The first advantage, of course, of having the shares numbered is that it is possible to identify the transactions. We can see that certain shares, numbered so-and-so, have changed hands and we can trace them throughout. There is no difficulty in discovering from the register of members, and in dealing with the transfer of the securities from an audit point of view, which shares have been transferred, and any question of duplication can be discovered. Against that, we have the big disadvantage from the point of view of the Transfer Office—that is the enormous amount of work which these distinctive numbers involve. A company, for example, formed 50 years ago, with a capital of £5,000,000, may have had quite an excellent career and its shares may have changed hands many times in the past. The result is that the shares have been divided up into small parcels and large parcels, until gradually the numbers applicable to the shares as originally constituted have been split, so that it is possible to buy 1,000 shares and have almost 1,000 distinctive numbers on the back of the transfer. Consequently you have to add to your transfer half a dozen sheets comprising the distinctive numbers. The work that this involves is enormous, and the company is remunerated on the average by 2s. 6d. It sometimes takes many hours to write up those distinctive numbers in the Share Register, and to enter them all up again on the new certificates. With distinctive numbers, however, we can identify them easily, and thus fraud is not facilitated.

Mr. J. AUERBACH, Incorporated Accountant: Might I also have the Lecturer's views on shares of no par value?

The LECTURER: The great point relating to shares of no par value is this. We in this country have shares of the nominal value of £1, or 10s., or 1s., and actually that nominal value, after the shares have been issued and have become fully paid, is of no significance whatever. We may call a share a £1,000 share of nominal value, we may call a share a £1 share of nominal value, but those two shares may be worth exactly the same amount. What we are really concerned with is the value of those shares, not what originally was given for them. Originally we may have given £1, but to-day they are quoted on the market at £10, and £10 is their true value; therefore, it seems rather foolish to call them £1 shares. It is far better that we should consider them as shares in the company—*i.e.*, one share of the company's assets—and the value of that share would increase or decrease in a normal manner. The claim is that, with shares of no par value, you do show that every member has an interest in the value of the company's assets, and the value of the company's assets is not the amount which was originally given for the shares. That value will fluctuate every year in so far as we increase or decrease our company's resources in the form of reserves.

Mr. L. H. PLUMPTON: I should like to ask the Lecturer a question. Am I right in assuming that Backwardation is the reverse process to Contango? And does it take place at the same time as Contango?

The LECTURER: Yes, at exactly the same time. The jobber desires to buy back the shares that he has sold, not being in a position to deliver, and so he arranges to sell them back again for the next account. We apply the term "backwardation" to the interest which is paid for that consideration.

Mr. H. A. L. HART: I wonder whether the Lecturer would give us his views as to "stagging" and how that operation is carried on?

The LECTURER: "Stagging" is a very important type of speculation from the point of view of the layman, and in many cases it can be entered into with advantage. It consists of applying for shares in a new issue and in paying the application money. The application money, say, is 1s. a share on the £1 shares which are being issued. With quite a small capital, then, we can buy a large number of shares. Our object is to resell the shares which are allotted to us immediately after allotment and before any further moneys become due upon them, and thus be able to make a small turn on our shares. The shares may open at 6d., 1s., or even 2s. premium

when the shares are over-subscribed. If the shares are over-subscribed, it means that we, as "stags," will not receive the number of shares for which we applied. So a "stag" will always apply for a very large number of shares, hoping to get a large number allotted to him. The shares then became partly paid to an extent greater than the application money. He will then immediately sell the shares and take the small premium without having to lay out more capital. The danger is that you apply for 10,000 shares believing that you will not be allotted more than 1,000; but unfortunately, perhaps, the issue has not been over-subscribed and, therefore, you will be allotted your 10,000 shares in full. Then there are only two things you can do. You can take the shares up, paying the calls as they become due, or you can sell out at a discount and make a loss. Of course there is another way in which legally the "stag" could escape his obligations, although from the point of view of anyone professionally engaged in speculation it would be impossible, and that is this: The prospectus of a company is merely an invitation to members of the public to apply for shares; therefore, when we make our application, we are merely making an offer to the company for those shares, and if the company is willing to accept our offer it concludes the contract by sending us an allotment letter. Naturally, as an offer can always be revoked before its acceptance, we can revoke or cancel our application letter and ask for our money back before the company has had time to allot the shares. One can only do that once or twice, and if one were a professional dealer it would be impossible to make any money in this way in future, because one would be listed as one who wanted to escape his obligations when it paid him to do so.

The CHAIRMAN: I am sure you have all heard this lecture with great interest; I have myself, and I should like to thank the Lecturer for his remarks. He told you, and very rightly, that the idea of the public as to Stock Exchange transactions is very hazy. Whether they are of the opinion, as he suggests, that you buy shares like you buy meat at a shop's counter, I do not know; but you do buy shares somewhat in that fashion abroad, because in the Exchange brokers' offices in foreign cities you frequently see shares displayed for sale in the windows—small bonds, usually the bonds of the city in which the office is situated—and you can then make your choice whether you think the certificate is a good looking one or not. Some people do not seem to understand the quotation of two prices, as, for instance, when you see War Loan quoted 101¼ to 101⅜. The London County Council recently instituted a series of lectures on Stock Exchange transactions and Stock Exchange business and accounts, which are very largely attended and in respect of which they hold examinations. A question was asked at one of these examinations, "What do you understand when you see two prices quoted?" One of the replies was, I am informed, "The two prices are for two different qualities and the higher quotation is for the best." (Laughter.) I was very glad to hear the Lecturer suggest that although you can deal with a banker or a broker, it is much better to deal with the broker direct. That is what I should advise you all to do. He also said that it is better to trust your broker and tell him to deal at best. That I also agree with. If you do not trust him do not deal with him, but if you do trust him let him use his best endeavours on your behalf. The Lecturer referred to the privilege of carrying over. Some regard it as a privilege and some are rather sorry afterwards that they indulged in it. He also said that you can carry over if you are a principal but not otherwise, and he referred to a principal as a man having stability. If he will allow me to say so, the underlying principle is this: that the Stock Exchange will not permit its members to carry over for anyone who is not a principal for the reason that it is inadvisable that anybody in a fiduciary position should speculate. It is mainly, I think, with the idea of removing temptation from persons in that capacity that the Stock Exchange is very severe on brokers who do speculate for those who are not principals and controllers of their own funds. If a broker were found undertaking speculative business for a man who was a clerk, or holding an official position in any firm or company, without the knowledge of his employer, the broker would be liable to immediate expulsion, and quite rightly so. But of course a good deal of the carrying over business nowadays is not done in the Stock Exchange. A great deal of it is now done by the Banks on margins. It is not only "bucket shops" who deal on margins. If you want to buy a stock your banker will pay for it; he will advance you a certain proportion of the purchase price. The remainder will be the margin which you will have to maintain from time to time if the price goes against you. There are certain advantages in carrying over stock at the bank in that way. You probably save a little in interest, you do not have to pay contangos every account. But it has this disadvantage. The amount carried over by the Banks is an undisclosed position, whereas if it is carried over in the Stock Exchange it is a disclosed position. It is therefore impossible for people responsible for financial business in the City to know what the position of the Account is, and difficulties sometimes occur in consequence. I have only one other matter, and that is the question of backwardation. Someone asked the difference between backwardation and contango. The difference is that one is paid and the other received. Supposing you buy shares on the Account Day you have to pay for them. If you want to exercise the privilege of carrying over, you go to your broker and tell him you do not want to pay for them in that Account, and if your credit justifies it he will be able to delay payment until the next account by payment of a rate of interest which is called a contango. It occasionally happens that, for reasons which it is unnecessary to explain, the person who sold you the shares may be more desirous of carrying them over than you are, in which case the seller may be prepared to pay you something for carrying them over. This payment is called a backwardation. A contango, therefore, is a rate of interest which you pay, and a backwardation is a rate of interest which you receive.

COMPARISON OF RATES IN TOWNS AND URBAN DISTRICTS.

We have received from Mr. W. Allison Davies, O.B.E., F.S.A.A., Borough Treasurer of Preston, the pamphlet which he issues annually giving a comparison of the rates levied in the various towns and urban districts in England and Wales. The statistics given relate to the municipal year 1929-30. The pamphlet supplies a great deal of valuable information and is a most useful publication, the compilation of which must cost Mr. Davies a great deal of time and trouble. The records show the rateable value, total rates levied, rate per head of population, the charges made for gas, water and electricity, and the extent to which the rates of each municipality have been increased or decreased by the profits or losses made on these undertakings. Particulars are also given of the purposes to which the rates have been applied, together with a comparison of the total rate levied for the preceding year.

THE AMERICAN STOCK MARKET COLLAPSE.

The following is an extract from the comments of the *Journal of Accountancy*, New York, on the recent collapse of the American Stock Market:—

The astounding feature of the decline and fall of the stock market in late October and early November was not the fact of descent itself, but the altogether unreasoning

consternation which the public in and out of Wall Street displayed. There was nothing at all in the course of events which distinguished the break from its many predecessors. Month after month, even year after year, market prices of securities had climbed to ever dizzier heights. Now and then a Jeremiah uttered warning and lament, but the people gave no heed. They thought and consequently dealt in far futures. What a company might earn when the next generation would come to maturity was made the measure of the current value of its stock. In many cases companies whose operations had never yet produced a penny of profit were selected, fortuitously or under artificial stimulation, as a sort of Golconda of the next voyage ; and otherwise sane men and women eagerly bought rights of ownership in adventures whose safe return was on the knees of the sea gods. It was not considered enough to look ahead to what was visible. The unseen was the chief commodity. Good stocks, bad stocks and stocks neither good nor bad, but wholly of the future, rose with almost equal facility, until at last they were sold at prices which seemed to be entirely uninfluenced by the rates of dividend or even by the earnings of the issuing companies. . . . Most of the speculators were caught in the collapse, and some crawled up from under the débris with not enough upon them to meet the demands of conventional decency. If it had not been so full of tragedy it would have been ludicrous to see the look of blank astonishment upon their faces as they were exhumed. . . . It seems to us that, with comparatively few exceptions, prices at the bottom of the recent depression were still too high. The theory that unstable industrial stocks should sell at more than ten times their annual earnings seems to us untenable, whatever prominent market boosters may say to the contrary.

Scottish Notes.

(FROM OUR CORRESPONDENT.)

Glasgow Students' Society.

A meeting of the Glasgow Students' Society was held in the Regent Rooms, Glasgow, on the 3rd ult. Mr. J. Tannett MacKenzie, F.S.A.A., presided, and was supported by Mr. A. R. Weir, F.S.A.A., Mr. James Paterson, F.S.A.A., Secretary of the Scottish Branch, Mr. Alfred Palmer, A.S.A.A., Mr. Robt. Fraser, F.S.A.A., Hon. Secretary of Students' Society, and others. The Chairman, in welcoming the members to their new rooms, which would be open one evening every week, expressed the hope that such a comfortable club room would be fully taken advantage of. Papers were read by Mr. Alfred Palmer and Mr. A. R. Weir, on the accountancy questions, and by Mr. James Paterson on the Scots Law questions set at the last examination, which were explained, and model answers were suggested. An interesting discussion followed.

The late Mr. H. Wylie Auld, F.S.A.A.

We regret to record the death on 6th ult., of Mr. Hugh Wylie Auld, F.S.A.A., formerly a member of the Scottish Council, who carried on practice in Glasgow and Saltcoats. Mr. Wylie Auld was an enthusiastic supporter of the Society. As a member of the Scottish Council he took a deep interest in the work of the Scottish Branch, which he showed in a very practical manner by his support of the Glasgow Students' Society and his gifts of a large number of accountancy books to the library. Mr. Auld took a great interest in the local affairs of North Ayrshire, particularly of the burgh of Saltcoats, of which he was for some years a magistrate. On the day before his death he was re-elected Chairman of the Landward Committee of the Parish Council. In his younger days he was keenly interested in all athletic sports. Some years ago he succeeded to the estate of Kirkhall, near Ardrossan.

"Ratify" or "Homologate."

In the course of a discussion at a recent Council meeting as to whether the word "ratify" or "homologate" should be used, it appeared that the latter word, common in Scotland, was unfamiliar to many of the members. The same question seems to have arisen many years ago when a civil servant in the Home Office was dealing with peculiarities of Scotland and Scottish speech, and thus relieved his mind :—

> "All nations have a way or groove
> In which they propositions state.
> When Scotsmen thoroughly approve
> They heartily homologate."

Had the member who used the word "homologate" known of these lines at the time they might have decided the question.

Co-Partnery Profits—Income Tax.

Last month the First Division of the Court of Session heard counsel and gave judgment in an Exchequer case in which David M. Ritchie, a mine manager, appealed against assessments to income tax on sums amounting *in cumulo* to £7,653, for the years 1926-1929, inclusive, under Schedule D. The facts briefly were that Mr. Ritchie in 1926 started a 'bus business, which, as he could not personally give it his attention, he transferred to his family, consisting of five persons, two of whom were minors. A contract of co-partnership was executed in 1927, and was retrospective to January 1st, 1926. The capital was provided by Mr. Ritchie as a loan. It was contended before the Commissioners on behalf of the appellants that the contract of co-partnery was what it purported to be, and that it truly represented the rights and interests of the parties to it from January, 1926. It was also contended that Mr. Ritchie was not a partner in the firm but only a loan creditor. The Inspector of Taxes contended that on a proper construction of the contract of co-partnery the parties to that agreement other than Mr. Ritchie were not truly partners of the firm, but that Mr. Ritchie was the sole partner. The Commissioners dismissed the appeals for the firm and for Mr. Ritchie. The Division now, by a majority, sustained the appeals, holding that the object of co-partnery was to enable the children to acquire the substantial interest of this business, that it was neither a fraud nor simulate, and that it was impossible to pretend that the agreement was not a reality.

Cashier and Auditors.

The secretary and cashier of a Dunfermline trading concern known as Decies Co-operative Institutions, Limited, was last month sentenced to six years' penal servitude by the Lord Justice-Clerk in the High Court of Justiciary on a charge of embezzling £34,167 between January 1st, 1914, and November 11th, 1928. It was stated that the money was spent in betting. The Advocate-Depute, in referring to the period over which the defalcations took place, said that the books were audited regularly, but it was quite clear that the audit must have been carried out in a very perfunctory and careless way. The Lord Justice-Clerk remarked that this was very obvious. In sentencing the accused, his Lordship commented on the fact that the depredations were spread over 15 years.

New Post for Sir Josiah Stamp.

Well known names appear on the list of External Examiners appointed by the Edinburgh University Court. The most prominent is possibly that of Sir Josiah Stamp, G.B.E., D.Sc., who has been appointed Examiner for Political Economy.

Notes on Legal Cases.

[The abbreviations at the end of each of the cases refer to the following law reports, where full reports of the case may be found. The Law Reports and other reports are cited with the year and the Division, *e.g.* (1925) 2 K.B. :—

T.L.R., *Times Law Reports*; *The Times*, *The Times* Newspaper; L.J., *Law Journal*; L.J.N., *Law Journal* Newspaper; L.T., *Law Times*; L.T.N., *Law Times* Newspaper; S.J., *Solicitors' Journal*; W.N., *Weekly Notes*; S.C., *Sessions Cases* (*Scotland*); S.L.T., *Scottish Law Times*; I.L.T., *Irish Law Times*; J.P., *Justice of the Peace* (*England*); L.G.R., *Knight's Local Government Reports*; B. & C.R., *Bankruptcy and Company Cases*.

The other abbreviations used in modern reports are H.L., House of Lords; A.C., Appeal Court (House of Lords and Privy Council); C.A., Court of Appeal; Ch., Chancery Division; K.B., King's Bench Division; P., Probate, Divorce and Admiralty Division; C.S., Court of Session (Scotland); J., Mr. Justice (King's Bench or Chancery); L.J., Lord Justice; L.C., Lord Chancellor; M.R., Master of the Rolls; N.I., Northern Ireland; P., President of Probate, Divorce and Admiralty.]

REVENUE.

Bombay Commissioners of Income Tax v. Ahmedabad New Cotton Mills Company, Limited.

Ascertainment of Profits.

When the opening and closing stocks of a business are both undervalued, the real profits of the year cannot be ascertained by merely raising the valuation of the closing stock and not taking into consideration the similar undervaluation of the opening stock.

(P.C.; (1929) 46 T.L.R., 68.)

Curtis Brown v. Jarvis.

Copyright as Property.

The appellant company, who carried on the business of literary agents, collected copyright royalties in this country and remitted the amounts less commission and expenses to the three authors who were residing abroad. It was contended that the sums were not profits arising from any trade, profession or vocation from any property in Great Britain, and that there was no statutory provision for the charge of income tax on royalties paid to an author who is not resident in Great Britain.

Rowlatt, J., held that copyright must be comprised within the word "property." The royalties were annual profits or gains within the scope of income tax. The owner of copyright in this country was taxable exactly in the same way as the agents were taxed on his behalf in the present case. A deduction of the agent's commission and expenses was allowable in arriving at the amount on which income tax was payable.

(K.B.; (1929) S.J.N., 819.)

Mills v. Jones.

Income Tax on Award by Royal Commission to Inventors.

The House of Lords affirmed the decision of the Court of Appeal (see *Incorporated Accountants' Journal*, December, 1928, p. 92), and held that income tax was payable on certain sums awarded by the Royal Commission on Awards to Inventors, it appearing that the sums in question were not a capital payment made for the Crown's acquisition of a patented invention, but were sums paid for the user thereof.

(H.L.; (1929) 46 T.L.R., 118).

Balgownie Land Trust Company v. Inland Revenue.

Profits of a Trade or Business.

The Income Tax Act, 1918, Schedule D, provides that the tax under this schedule shall be charged in respect of the annual profits or gains arising or accruing to any person in the United Kingdom from any trade. Rule I provides: "The tax shall extend to every trade carried on in the United Kingdom or elsewhere, and shall be computed on the full amount of the balance of the profits or gains upon a fair and just average of three years ending on that day of the year immediately preceding the year of assessment on which the accounts of the said trade have been usually made up, or on the 5th day of April preceding the year of assessment."

Trustees held some heritable property and formed a company to hold the property with power to buy and sell land. There was a single purchase and resale of heritable property and a gradual realisation of the original property.

The Court of Session held that the company was assessable under Schedule D, Case I, on the profits of a trade in buying and selling heritable property.

(C.S.; (1929) S.L.T., 625.)

Lord Strathcona and Mount Royal v. Inland Revenue.

Where Value of Securities to be taken into Consideration.

Inter vivos gifts of securities were made by a mother to each of her four children within three years of her death. These securities increased in value between the date of the gift and the date of the death of the donor. The Commissioners of Inland Revenue claimed estate duty on the value of the securities at the date of the donor's death, but the donees and trustees of the donor contended that the value of the securities for payment of estate duty should be taken as at the date of the gift and not at the donor's death.

The Court of Session held that the value of the securities fell to be ascertained as at the date of the donor's death. Lord Blackburn, however, dissented on the ground that the donation was of money and not of securities.

(C.S.; (1929) S.L.T., 629.)

Luipaard's Vlei Estate and Gold Mining Company v. Inland Revenue.

Debenture Interest Out of Accumulated Undivided Profits.

Where a limited company pays debenture interest, not out of the profits of the year in respect of which it is paid, but out of accumulated undivided profits which have been charged with tax in previous years, the company is bound to deduct from the interest the amount of the tax and to account for it to the Crown.

(K.B.; (1929) 46 T.L.R., 42.)

General Nursing Council for Scotland v. Inland Revenue.

Exemptions from Income Tax.

Sect. 37 (1) (*b*) provides for exemption from tax under Schedule C in respect of any interest, annuities, dividends or shares of annuities, and from tax under Schedule D, in respect of any yearly interest or other annual payment forming part of the income of any body of persons or trust established for charitable purposes only, or which, according to the rules or regulations established by Act of Parliament, charter, decree, deed of trust, or will, are applicable to charitable purposes only, and so far as the same are applied to charitable purposes only.

The General Nursing Council, a statutory body, was charged with the duty of keeping a register of nurses and the conduct of examinations for admission thereto. Fees were paid to the Council by nurses on application for registration, on examination and annually after admission to the register. The income of the Council was substantially in excess of its expenditure. The surplus income was accumulated and invested. The Council claimed exemption from income tax on the interest from these investments under sect. 37 (1) (*b*), on the ground that the Council was established for charitable purposes only.

The Court of Session held that the duties performed by the Council were at least in part carried out in the professional interest of the registered nurses, and accordingly that the Council was not entitled to exemption from income tax as a body established for charitable purposes "only."

(C.S.; (1929) S.C., 664.)